Foreign Broadcast Information Service 50 ANNIVERSARY 1941 - 1991

Daily Report

East Europe

FBIS-EEU-91-242
Tuesday
17 December 1991

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CSFR, Poland, Hungary Sign EC Agreements

LD1612143391 Budapest Kossuth Radio Network in Hungarian 1400 GMT 16 Dec 91

[Text] The agreements on association between the EC and Hungary, Czechoslovakia, and Poland have been signed in the EC's Brussels Headquarters. The document was signed for the Hungarian side by Prime Minister Jozsef Antall. With this, the three countries have begun the first serious step toward full membership of the EC.

The Common Market spokesman stressed that the agreements define objectives the realization of which will enable Hungary, Czechoslovakia, and Poland to become capable of satisfying the commitments that go with full membership.

EC Spokesman Comments

LD1612143691 Budapest MTI in English 1013 GMT 16 Dec 91

[Text] Brussels, December 16 (MTI)—Prime Minister Jozsef Antall will sign the association agreement between the European Community and Hungary in Brussels on Monday.

x x x

"The EC attaches great importance to the accord," Nico Wegter, spokesman for EC Commission Vice-President Frans Andriessen who will sign the agreement on the Commission's behalf, told MTI.

The spokesman said that it is hoped the Association will promote Hungary's eventual membership. At present it would be unable to shoulder all commitments attached to membership. The agreement is expected to prepare Hungary, Czechoslovakia and Poland to meet these requirements. Meantime, political dialogue could be intensified, the spokesman said.

Wegter pointed out that the economic chapters of the agreement would allow for gradual progress towards free trade. The Community will open up its markets faster than Hungary, although there are areas, such as agriculture, where the restrictions will remain over the next ten years. However, tariffs on steel products will be dismantled in five years, and on textiles in six.

Antall Speech Reported

LD1612161191 Budapest Kossuth Radio Network in Hungarian 1500 GMT 16 Dec 91

[Speech by Hungarian Prime Minister Jozsef Antall after signing the EC Association Agreement in Brussels on 16 December—recorded]

[Text] The talks with the EC really went on for a long time. At the beginning, these could, of course, be related to issues of detail only; they were agreements of a commercial character. We have to see clearly that if no change of system had taken place in Eastern-Central Europe, and no democratic governments had been formed, and if these countries had not also become members of the Council of Europe—that is, if these countries were not lead by governments responsible to freely elected parliaments in accordance with the European Community—then no such kind of association would have ever taken place with the EC.

So the first issue is that a long period that represented economic talks and commercial links has ended. However, so that these ties can become so much of a political character as to indicate accord, as genuine partnership ties, it was necessary that Hungary and the two other associate members really be countries operating with democratic parliamentary systems.

Balcerowicz: 'New Era' Begins

LD1612161591 Warsaw Radio Warszawa Network in Polish 1500 GMT 16 Dec 91

[Excerpts] Poland's association treaty with the EC has been signed. This took place in the EC headquarters in Brussels about an hour ago, just before 1500. Acting Prime Minister Balcerowicz signed the document for the Polish side. [passage omitted]

Simultaneously with the association treaty, Minister Krzysztof Skubiszewski signed an interim trade and economic cooperation agreement. Representatives of the Czech and Hungarian Governments signed documents a similar content in Brussels at the same time.

The acceptance of the agreement is the sign that a new era is starting, Deputy Prime Minister Leszek Balcerowicz said in a speech on the occasion, and the treaty has a fundamental significance for us. It is a guarantee for a departure from the post-Yalta reality and the beginning of the path to full membership of the West European community, the deputy prime minister emphasized. [passage omitted]

Calfa Views Agreement's Importance

LD1612221791 Prague CSTK in English 1636 GMT 16 Dec 91

[Text] Brussels Dec 16 (CSTK)—Calling the occasion an "important milestone" for both sides, Czechoslovak Premier Marian Calfa today signed an association agreement between Czechoslovakia and the 12-member European Community (EC).

Hungary and Poland also signed accords with the EC today.

Referring to the neighbouring countries, Calfa said "Czechoslovakia is determined to continue to coordinate further steps with its central European partners".

For Czechoslovakia the signing of the agreement is the first stage on the road towards achieving full-fledged membership in the EC. The document includes a unilateral declaration by Czechoslovakia that it is exclusively

responsible for implementing the accord and that the Czech and Slovak Republics will take part in the implementation.

The agreement provides for the removal of tariff barriers and export quotas, and for the creation of a free-trade zone between Czechoslovakia and the EC over the next ten years. It also provides for a political dialogue with the EC members, including foreign policy coordination and cultural exchanges.

The agreement could enable Czechoslovakia to increase annual exports to EC markets by about 300 million USD over 1990. Czechoslovakia also expects to attract more western investors.

The trade part of the accord will come into effect in the first quarter of 1992.

Before leaving Brussels where he signed the association agreement between Czechoslovakia and the EC, Calfa held talks with Acting Polish Premier Leszek Balcerowicz and Hungarian Premier Jozsef Antall on the three countries' cooperation in the implementation of the association agreements signed today.

Also discussed was liberalisation of trade, future ties with the former Soviet Union and its individual republics and coordinated action in relation to Yugoslavia.

Calfa said Poland, Hungary and Czechoslovakia want to create a "common market" or a "free economic zone". An agreement in this respect was signed by the three countries' economics ministers in Krakow three weeks ago.

Czechoslovak Economics Minister Vladimir Dlouhy today left Brussels for The Hague to attend a ministerial conference of the European Energy Charter and to sign the document on behalf of Czechoslovakia tomorrow.

Spain Delays Signing

LD1612134891 Warsaw Radio Warszawa Network in Polish 1305 GMT 16 Dec 91

[Text] The initialling of the agreement of association between Poland, Hungary, Czechoslovakia, and the EC, which was supposed to take place in Brussels today, has been delayed. This is happening because at the last moment Spain submitted an appendix to the document that states that if the importation of steel from the three states now attaining association status with the Community is going to disturb the market of the Twelve, it would be possible to appeal to GATT, the General Agreement on Tariffs and Trade.

This does not change the fundamental form of the document, but a certain difficulty has arisen, namely that the text of the appendix was added at the last moment and Czechoslovakia and Hungary did not manage to read it before signing. The Polish delegation received the appendix with a certain advance notice about an hour before 1300 when the association treaty was supposed to be signed. That hour, however, was not enough for us.

The delegations went off to hold consultations as the Spanish said they would sign the treaty if their appendix was not accepted. [sentence as heard]

Poland-CSFR-Hungary Discuss Future Cooperation

LD1712071191 Warsaw PAP in English 2320 GMT 16 Dec 91

[By PAP correspondent Jacek Safuta]

[Text] Brussels, Dec. 16—Poland's acting Prime Minister Leszek Balcerowicz and prime ministers of Hungary and Czechoslovakia Jozsef Antall and Marian Calfa, who signed their countries' association accord with the EC in Brussels on Monday, met later in the day in the Polish Embassy in Brussels to talk about co-ordination of their action towards the EC and NATO and within cooperation between their three countries.

After a 40-minute talk Balcerowicz and Antall expressed their satisfaction over yet another co-ordinating meeting. Calfa was not available for comment.

Balcerowicz announced that the three countries decided to jointly seek more significant capital assistance in the European Communities for the restructuring of their economies, a thing that is particularly important after the collapse of trade with the former Soviet Union.

"We are at one that the pace of removing barriers in trade between Poland, Hungary and Czechoslovakia should not be lower than that of liberalization of trade between each of the three countries and the EC," Balcerowicz told newsmen.

The three countries are going to enter negotiations in the coming months on an agreement aimed at establishing a common Polish-Czechoslovak-Hungarian free trade zone.

Balcerowicz claimed the removal of barriers in trade should lead to a growth of trade and overcome the adverse impact of the switchover to settlements in convertible currencies introduced between Poland, Czechoslovakia and Hungary early this year.

The three prime ministers also talked about cooperation in security and defence, but a detailed discussion on these topics will be taken over by their defence ministers.

Hungarian prime minister told journalists after the meeting that the Yugoslav war "by no means can be tolerated" and did not rule out that the three countries may recognize the independence of Croatia, Slovenia and other republics seeking it if the entire EC or a larger number of the EC member countries make such a decision. He also announced that the three countries will co-ordinate their position on Yugoslavia.

Talking to newsmen, Balcerowicz also referred to the association accord signed earlier today and admitted that not all the articles corresponded to Poland's original intentions but stressed that the compromise reached in it is favourable for Poland.

SFRY Republic Recognition Discussed

LD1612211291 Budapest MTI in English 2017 GMT 16 Dec 91

[Text] Brussels, December 16 (MTI)—If Croatia and Slovenia are to be recognized by Hungary, then it should be done jointly with Czechoslovkia and Poland, Hungarian Prime Minister Antall said today.

Further, Czechoslovakia, Hungary and Poland will coordinate positions in all possible spheres, the prime ministers of the three countries agreed at a meeting after signing the EC association accords today, Antall told journalists.

The three countries agreed to instruct all their envoys in international organizations, including the UN, to cooperate and coordinate their positions on all possible issues, Antall said.

"Germany will probably be the first to recognize Croatia and Slovenia, but if certain EC members and other countries follow, the Visegrad Triangle should also do so but in consort," Antall said.

Hungary has long said that all Yugoslav republics which have declared sovereignty and seek recognition, should be given recognition, Antall stated, adding such an act only makes sense if countries recognizing the republics can also help them guarantee their borders and sovereignty.

Hungarian Foreign Minister Geza Jeszenszky, accompanying Antall to Brussels, conducted talks with his Slovenian counterpart Dmitri Rupel today.

Rupel is here attending a conference of European foreign ministers.

After talks with Acting Polish Prime Minister Leszek Balcerowicz and Czechoslovak Prime Minister Marian Calfa at the Polish Embassy here, Antall and his entourage left for Budapest.

Ahmeti Presents Program to People's Assembly

AU1612195491 Tirana Radio Tirana Network in Albanian 1900 GMT 16 Dec 91

[Zamira Koleci report]

[Text] At the start of this morning's People's Assembly proceedings, Presidency Chairman Kastriot Islami informed the Assembly about the presence at the session of the great poet Yevgeniy Yevtushenko, chairman of the Soviet Writers' Union.

The poet Yevgeniy Yevtushenko then took the floor to greet the Albanian Assembly. He said among other things that the Russian people had lived under a terrible dictatorship that had no future; today, the dictatorship of chaos prevails, but we will not allow it to rule our lives. He then expressed his pleasure at the signature today of the agreement between the Albanian Writers and Artists Union and that of the Soviet Union, underlining that this act will further strengthen the ties between two peoples who are linked by common suffering.

Presidency Chairman Islami then read out the composition of the new government and gave the floor to Prime Minister Vilson Ahmeti. Presenting his government's program, he stressed the delicacy of the moment at which the new government was created, and pointed out that its aim is not to overcome the crisis, but to ensure calm and to improve living conditions. The prime minister went on to describe the food situation and outlined measures to distribute food aid. He mentioned the main areas on which his new cabinet will focus its work and attention, such as encouraging privatization, obtaining fuel for the population, implementing the economic reform approved by the People's Assembly, obtaining raw materials for a section of industry and some resources for agriculture, strengthening ties with the outside world while respecting the agreements reached by the earlier government, and encouraging the arrival of foreign capital, investment, etc. In foreign policy, the government will pursue relations with neighboring countries and will strive to protect the interests of Albanians beyond the border.

Stressing the main aim of this government's work, which is to ensure public order, the prime minister said that the need to avoid social tensions requires a brief electoral campaign.

After a recess, the prime minister answered questions posed by some deputies. Today's proceedings ended at this point. They will resume at 0900 GMT tomorrow with a discussion of the government's program.

Alia Discusses Results of Democratization

AU1612151391 Tirana ZERI I RINISE in Albanian 30 Nov pp 1-2

[Interview with President Ramiz Alia by Chief Editor Remzi Lani on 20 November; place not given: "Alternatives for the Future Build Genuine Democracy"]

[Text] [Lani] First, Mr. President, I wish to thank you for this interview. ZERI I RINISE has opened its pages to prominent people. Of course, the president's appearance in them is a sign of appreciation.

[Alia] I thank you for giving me the opportunity. It is a special pleasure, but also a great responsibility, to talk in front of young people. With their natural inclination toward progress and the future, they often underestimate and distort many things in the past.

[Lani] One year after the establishment of a multiparty system in Albania, it is natural to reflect on the past. How would you judge the past, before political pluralism was established in Albania, and what was your position in relation to democratic developments?

[Alia] First, it must be said that many results in democratizing the country have been achieved in one year. It is enough to mention the creation of democratic institutions, above all the pluralist People's Assembly and the National Stability Government. So far, 18 different parties have been created, and many laws have been approved, such as the Constitutional Law, the Land Law, the law guaranteeing individual rights and freedoms, the Law on Amnesty and Innocence, etc. The relevant measures and laws to start the economic reform have been approved; they focus on privatization, the liberalization of the management of enterprises, and price liberalization. In foreign policy, Albania has created ties with or has been admitted to leading European and world political and economic institutions such as the CSCE, the Council of Europe, the European Parliament, the EEC, the IMF, the European Bank for Reconstruction and Development, etc.

All these and other similar developments mark a new phase in the country's democratic development and in the transition from a social system based on common property to one based on the market economy and free initiative.

In replying to your question, I took as a point of reference the creation of a multiparty system. However, work was done to democratize the country even earlier. From the middle of the eighties, ideas began to be presented about reforming society, both economically and politically. You will, I think, remember that at that time and later ideas were presented and work was done to create conditions to encourage the initiative of individuals and collectives, with a condemnation of excessive centralization both in planning and administration. A group of economists worked on and drew up what was

called the "new economic mechanism," a reform which, with all its limitations, was something essentially new.

In the political field, work was done to create a more democratic climate. There was a determined struggle against mediocrity and the leveling of values. Specialists, especially economists, were asked to make a greater contribution. Free debate and a less inhibited expression of opinion were encouraged, with the idea that unity does not presuppose unanimity, etc.

In May 1990, a special session of the People's Assembly revoked the articles of the Penal Code that treated agitation and propaganda and fleeing the country as state crimes and the articles covering the ban on religion. At the same time, it approved the law on supplying citizens with passports for travel abroad, and the release of political prisoners began.

The end of the eighties coincided with the end of the cold war. This also encouraged the democratization of foreign relations. As early as February 1990, the question of establishing diplomatic relations with the United States, the Soviet Union, and the EEC was suggested, along with our application for CSCE membership.

The ideas presented for democratizing the country and the measures that were taken, although not complete, created conditions and paved the way for later developments. What gave special impetus to the entire democratizing process and led to political pluralism and the radical reform of Albanian society was the movement from below, especially the student movement of December 1990.

The creation of an opposition must be considered a national achievement. The intensive period of this year has made entire strata of our society aware that, without an opposition, there can be no national unity or development, no domestic economic and political organization, and no efficient means of communication with the world.

[Lani] The opposition and the press are extremely harsh in their judgment of the postwar period in Albania. What is your assessment?

[Alia] It must be said that the debate in the press has even cast doubt on the period of the National Liberation War. A mood of negativism with marked political overtones has enveloped many people, leaving nothing beyond dispute.

It is to the honor of the Albanian people that they did not follow the Italian Fascists, the German Nazis, or the quislings, but in the National Liberation War joined the ranks of the world antifascist front based on the Anglo-Soviet-American alliance. Our people fought for high human and national ideals. To vilify this war and those who waged it is to disparage the people's history and to insult their heroism. One cannot advance toward a new era but can only regress with the old slogans of the collaborators with the invader, the National Front [Balli Kombetar]. These slogans were tried once, and they failed.

There were no doubt developments and processes in the postwar period that deserve critical discussion and reevaluation. However, this period, too, has plenty of indisputable values. In the final analysis, it is part of the history of the people, and embodies the labor, efforts, and lives of several generations. It is easy to disdain it, but disdain, especially under the influence of passion, often does not reflect the truth.

A genuinely modern democracy cannot be built out of resentment for the past and in rage over what is over and gone, but only with alternatives for the future. This is the only way to reestablish the shaken equilibrium of society.

[Lani] When, at the eighth plenum and later, you spoke about the democratization, did you imagine it happening in the way it has?

[Alia] My idea was that changes must first be made in the economy. Restoring the economic situation and opening prospects in this field would pave the way for democratizing the superstructure, the management of the state, and relations among people. Alongside this, human rights were to have been reestablished and adapted to international standards in this field.

It was clear that the issue of party pluralism would surface sooner or later, but I thought that this step would come after pluralism of thought, i.e. an expansion of democracy in the free expression of ideas, had started well. This was even confirmed by the opinions expressed to me by a group of intellectuals at a meeting in August 1990, where it was said that the country is still unprepared for party pluralism, because the necessary democratic education is still lacking.

If it is a matter of the present economic reform, this is much more advanced that what was planned in 1989-1990.

[Lani] The People's Assembly has now approved the plan for the transition to the market economy. How was a common position reached among the political forces in the parliament, and what is your position as president on this reform?

[Alia] All the parties without exception forecast in their programs a transition to the market economy as the road of development. This was also the basis of the agreement of the five parties that took part in the creation of the National Stability Government.

Without denying the diversity of viewpoints, opinions, beliefs, programs and the parties' stand of opposition to one another, one must welcome the fact that all the social groups converge on the most important problems: the irreversibility and necessity of strengthening democracy, in which fundamental human rights and freedoms are protected and respected by the rule of law; and the need

to create a new economic system and to commit all sides to the transition toward a market economy.

All political forces have an indisputable role in formulating this program. However, their commitment to applying it is equally important and serves the great cause of national unity.

[Lani] What difficulties do you see in carrying out this great reform program?

[Alia] The implementation of the reform is beginning in extremely difficult economic conditions. We know the state of our foreign currency resources, and the economy is almost totally paralyzed. This will make the reform very difficult to carry out in practice. No doubt, in carrying out this reform, the country needs not only humanitarian aid, but first of all raw materials and investment, to set the entire Albanian economy in motion.

The reform will also bring temporary unemployment, higher costs of living, and other problems. These make politicization and electoral speculation undesirable, and mean that it would be helpful to alleviate as far as possible these social problems, which involve people's lives and destinies.

[Lani] We have a difficult winter ahead. How will we get through it?

[Alia] The winter that lies ahead will be truly difficult. Rising living costs will be exacerbated by evident food and fuel shortages. We will live under limited conditions, which will require the strict administration of what we do possess. In particular, aid requires strong administrative discipline. The misuse of aid is a serious crime, against which the law must act more strongly.

By limited conditions, I mean continued rationing. The government is working to alleviate the situation. Grain has been obtained, but there is the danger of temporary shortages because of delays in handling at the ports, etc. However, if there is understanding from the masses, I do not take such a bleak view of the situation as some others do.

[Lani] After the start of the reforms, and especially after the freeing of prices, the Romanian miners jumped on trains and appeared in front of the government buildings. What do you think? Are our people prepared for the risk the market economy brings? What must we do so that we do not to go the way of Romania?

[Alia] There are many people who imagine that everything will run like clockwork and we will have no more woes as soon as the market economy arrives. However, the market economy also carries the risk of losses. Moreover, as I said before, at this stage of transition and at the start of the reform, there will be inflation, falling living standards, etc. People must be aware of this. The euphoria cultivated by a section of the press about the immediate results of the market economy leads to a psychosis like that in Romania, because one knows that euphoria ends in disillusion.

The present situation more than ever requires the people's patriotism. It must be clear to everybody, to all working people in the towns and the countryside, that anarchy, work shirking, and unrealistic demands are devastating for the homeland and its freedom and independence.

[Lani] Demands for early elections have recently greatly increased. What is your view?

[Alia] The parties and other political forces have the right to discuss and to have their own opinions on this. Personally, I think that elections and an accelerated election campaign would only add to the political, economic, and social difficulties presently facing the country.

[Lani] Despair and gloom are widespread. Many young people think that the fate of a "lost generation" awaits them. Can you tell us something about this?

[Alia] An economic crisis inevitably brings a moral crisis. A kind of pessimism is inevitable. Despite the government's efforts, the economic decline is continuing.

Many people place their hopes in aid. No doubt, aid must be appreciated. However, aid is dole. As one might say, it helps the bedridden but does not keep you on your feet. The Albanian economy urgently needs to be set on its feet again.

In my view, the economic reform and its implementation is the sole way of overcoming our predicament and opening prospects for the country's development. In this context, opportunities for a better future will be created for young people, too.

I call on all political forces to give the necessary support to the National Stability Government. If, unfortunately, the implementation of a good reform begins at a bad economic and political time, let us at least not raise other obstacles in front of it.

[Lani] I would prefer not to leave the subject of young people. The students are living in a shocking situation. They are particularly worried by insecurity and lack of order. What would you as president say today?

[Alia] It was the December students who speeded up democracy. They therefore deserve to benefit from it. I am aware of the difficulties they face. There are many material shortages, but insecurity and lack of order are even more unendurable. I have tried to exert some influence on the state organs and political forces to create better conditions for students, as our circumstances permit, so that they will not become disillusioned in this transitional phase that is accompanied by so many difficulties.

Crimes against students are especially disturbing. It is, of course, necessary to strengthen measures for public order. However, alongside this, everybody, every citizen and young person, must join the struggle against crime. Criminal elements must encounter the resistance not only of the police, but of all working people, especially young people. Young people's protests should be directed against crime and those who commit crimes, not against the forces of order. This does not mean that the forces of order should not do their work better, indeed much better. However, the main position should be for everybody, citizens, young people, and the forces of order, to be against crime, against those who commit crimes, and against delinquents.

[Lani] For some months now there have been demands for your resignation in some newspapers and at rallies. What do you think of this demand?

[Alia] It is clear that certain political forces are encouraging this demand. It began with the occasional article, and continued at various organized rallies. I would like to explain now. When this demand appeared at the beginning of July in an article signed by one of the leaders of the Democratic Party, I asked at a meeting with leaders of the Socialist Party, the Democratic Party, the Republican Party, and the Social Democratic Party, and with the chairmen of the parliamentary groups whether this demand came from the parties, the parliamentary groups, or individuals. The reply was that neither the parties nor the parliamentary groups had made this demand. When I asked whether the parties could take a public stand on the criticisms raised against me in their press, they told me that it was a personal issue, and that it was up to the president to reply or not to reply to articles that are written.

It is therefore a matter of the criticisms and demands of individuals. For this reason, I decided not to reply to the various articles, which, beside general phrases and accusations, contained not a single tangible fact. Moreover, I think it is normal for the opposition or part of it to criticize or fail to agree with a president whom they did not propose. As for the ethics of the articles, they did not worry me, because it is a matter of the authors' level of general or democratic culture.

Some well-wishers have suggested to me that I repudiate through the press the charges in connection with the events of 2 April in Shkoder, the killings at the border, and the exoduses that have taken place, all of which, according to the writers of articles, happened on the president's instructions. It is clear to everyone that it is not the president's task to order a policeman or border guard to use weapons. There are clear laws and juridical principles about this. If someone breaks the law and abuses the office entrusted to him, in other words uses weapons when this is not permitted, the law states clearly who is responsible in this case, too. I have not in any instance issued any order that makes me guilty. As for the accusations about the exoduses, these are as absurd as they are cynical. Political demagogues do not do themselves a favor by making speculations about the drama of tens of thousands of people.

Meanwhile, the statement of Sali Berisha in the German newspaper DIE WELT of 31 August alleging that the president had reached an understanding with the Serbs to provoke a massacre in Kosovo, if it was not a reporter's invention, was such a gross slander that nobody can believe it. I therefore did not reply. On the other hand, I did not ask for the matter to be taken to the People's Assembly or the courts, as some reporters suggested, because I did not want Dr. Berisha to exploit the incident to portray himself as being persecuted by the president over an unverified statement.

[Lani] Do you sometimes think, as do other people: "Enough of politics. Let me go back to private life, books, and memoirs." After all, it is not easy to be president, especially in Albania's present state.

[Alia] It is indeed not at all easy to be president today, especially when there are so many economic and political difficulties, and when you encounter obstacles instead of being given general support. However, would it be extremely egotistical if I were to be guided by the idea, "Enough of politics," and sought personal ease?

The situation through which the country is passing is very difficult, not to say dangerous, both for internal and external reasons. For anyone with the country at heart, anybody who is not a demagogue and who has no careerist ambitions, the situation does not advise retreat, but the opposite. It calls on a person to defend democracy, to carry on democratic processes, and to protect the high interests of the homeland and its freedom and independence.

[Lani] Various statements claim that the president is obstructing the development of democratic processes. What can you say about this?

[Alia] According to the reports of RILINDJA DEMOKRATIKE, this was especially said at the aktiv of the Democratic Party's National Council. It was said there that the president has become an obstacle to democracy. Amazing! Some time ago, there was a different view, even among the ranks of the opposition!

Democracy today is developing and progressing with a great deal of effort and suffering. I want to emphasize that I have not obstructed democratic processes in any instance or in any sense. On the contrary, I have encouraged and defended them. I have not sent a single law back to the People's Assembly. I have raised no obstacle for the government. On the contrary, I have given it full support. I have confined myself punctiliously to the powers given to me as president by the Constitutional Law. According to this law, the justice organs, the courts, and the offices of the procurator and the investigator, about whose work I have been the subject of frequent criticism, do not depend on the president. I have not in any instance interfered in the exercise of their offices. These bodies depend on the People's Assembly or the

government. I, as president of the Republic, hold many meetings, and receive workers, trade unionists, peasants, intellectuals, veterans, and representatives of different parties, associations, and communities. I talk to them and try to explain things to them, according to the laws in force. I try to persuade them to devote all their strength to the country's unity, to calm and stability, and to curing the economic situation. I inform the government or the relevant ministries about the problems they raise, with appropriate suggestions. I have not in any instance imposed my view about how the matters that are raised should be settled.

Problems of the country's defense and of foreign policy are the fields in which the president deals directly. This is also connected with his function as commander-in-chief. In this area too, the process of democratization is advancing steadily. Has the depoliticization of the Army been hindered? Has the necessary reform adapting the Army to democratic processes been carried out? Is our foreign policy being conducted contrary to national interests and processes of integration in Europe? There may be special and partial criticisms, but they have no connection with the general political line pursued by the president according to the laws and the Constitution.

In fact, what I have been at pains to prevent, and this is the president's constitutional duty, have been attempts to circumvent the law, to encourage hatred or class revanchism, and to open the gates to antidemocratic behavior. Individuals or forces inspired by a lust for revenge feel this, because they see that I, as president, have devoted all my energies to the interests of the country and the nation, that need stability and not political crises, harmony and not division, calm and not anarchy.

[Lani] What now threatens democracy in Albania? The danger of a regression, a new dictatorship, or a new class war, as some strata apparently somehow fear? How do you view this matter?

[Alia] None of these dangers can be excluded. No doubt, there may be people who are nostalgic for the past. I also think that what you called a new dictatorship is not simply imaginary. In general, crises experienced in political and social life make the idea of a "strong hand" more acceptable to some people's minds. Personally, I think that the greatest danger now is that of a new class war that could open the gates to other, greater dangers.

The young members of the government and the new political forces are wise in not allowing the mistakes of the past to be repeated. It is equally necessary to ask forgiveness for pursuing the class struggle to absurd lengths and to guarantee society that this evil will not be repeated in one form or another.

Talking recently about developments in East Europe and the difficulties these countries are experiencing, U.S. President George Bush said, "Times of despair produce demagogues." "Some people fear that the new freedoms of democracy will be used not to build new confidence, but to settle old scores." Referring to Yugoslavia, he said, "We must beware of the extreme nationalism that sets one nation against another and citizens against citizens. There must be no place for such old enmities in the new Europe."

We in Albania are passing through a difficult economic, political, and social situation. People are becoming increasingly insecure, and their psychological and spiritual state has deteriorated. Under these conditions, the demagogues that President Bush mentioned arise more easily and tendencies develop "not to build new confidence," but to take revenge. Thus there is a danger of revanchism, revenge, and a new class war. This could pave the way for dictatorship, which could come through the organized crime of extremist forces, whether right or left-wing. We must confront this danger. The energies of every honest citizen, democrat, and patriot must be directed against it, so that nobody will be able to say tomorrow: Where were you fighters for democracy? Did people say this to the socialists, social democrats, Christian democrats, liberals, and all democrats of Italy and Germany when legionaries in black or brown shirts took over these countries and brought their peoples so much catastrophe?

[Lani] People have lost their peace of mind. Everybody shuts himself up at home before dusk. There is fear of organized crime. Most citizens place their hopes for the reestablishment of security in the president's intervention....

[Alia] It is now evident that rising crime is accompanying the difficult economic situation the country is experiencing, especially ugly crimes against people's lives and social and private property. The black market, speculation, and corruption are increasingly prevalent.

This has brought in its wake fear, distrust, and doubt about the future. In the final analysis, this distrust has become a serious obstacle to the full establishment of democracy in Albania and the country's transition to a market economy.

I have discussed this with the prime minister, and we take the same view that confronting this situation requires improved legislation and penal procedure. Laws have been submitted to the People's Assembly providing for harsher punishments for certain acts that have become worrying. New penal provisions are also included against the import, trade, possession, and use of drugs, the theft and misuse of humanitarian aid, or speculation in aid.

I am sure that the situation will improve after the People's Assembly approves the necessary laws and the government takes measures.

[Lani] You were number one in the ruling party and the country's head of state. Now, you are merely president. Was it more difficult for you to grow accustomed to your new duties or for those who turn to you with their concerns, grievances, etc.?

[Alia] The major democratic changes affected the entire structure of society and the system itself. The president does not now possess all the powers of the former number one. This is a result of the transition to a system of pluralist democracy. I myself welcomed this important change and believe that I have understood it correctly. However, I notice that some people do not properly understand this new position. Used to the old practices, organs and various social groups still ask the president to solve every problem.

As for citizens' demands and grievances, even before I used to receive many letters and telegrams. This reflects the persistent bureaucratic attitudes of various state bodies that fail to solve the problems within their competence.

[Lani] People talk a lot about culture and democracy. How do you assess the relationship between them?

[Alia] To my mind, culture is an integral part of democracy and democracy cannot come except through culture. Pluralism itself implies tolerance and respect for opposing beliefs. I cannot call democratic any attitude lacking in respect and objectivity toward history. Aggressive excesses and an absence of elementary human morals are not democratic, etc.

People have a great need for culture at democratic turning- points. In fact, there are plenty of cases in which the opposite has been apparent: there have been violations of the law, the destruction even of schools, and public insults even in the pages of newspapers. Hooliganism and commonplace crimes have been ugly phenomena that democracy cannot admit even as side effects. I understand that, in transitional phases like ours today, at the time of such a great leap, there will be uncontrolled phenomena, but I also understand that the faster democratic logic masters unbridled passions, the better it will be for the nation.

The fact that genuine intellectuals have taken the lead in democratic developments is to be welcomed, but to my mind they should do more to set the tone of these developments, never allowing haphazard and vulgar behavior and anarchy to compromise democracy itself. A person of culture always has a democratic spirit and always knows not only how to destroy what must be destroyed but how to build on the basis of this destruction, in other words, how to create.

When I talk about culture, I am thinking about clear and wise visions of the future. It would be desirable for culture to pervade all our political and economic life and to dominate all our political, state, and national institutions. Cultural institutions too must aspire more toward genuine culture, because new circumstances set new traps for art, such as excessive politicization (which, as our earlier practice showed, smothers creativity) and commercialism. Under such circumstances, only intellectual wisdom together with a spirit of patriotism can avoid these traps. I am convinced that culture and democracy will be inseparably associated in Albania.

[Lani] The Balkans are racked by the flames of war in Yugoslavia. Do you think that a political solution can soon be achieved for the conflict in Yugoslavia, and if so, what shape must it take, and what elements must it include?

[Alia] The Yugoslav crisis and the armed conflicts that have begun present a major danger to the Balkans and Europe. The Republic of Albania fully supports the EEC's efforts to find a peaceful solution to the Yugoslav problem, but I underline our standpoint that any full solution must also consider the will of the Albanians, clearly expressed in the referendum they held.

Of course, we favor a political, peaceful, and democratic solution to the Yugoslav crisis. When this solution will come depends on many factors. However, a genuinely full solution can only be guaranteed on the basis of a respect for the principle of self-determination of all peoples that comprise the Yugoslav federation today. This principle is also laid down in the CSCE documents.

[Lani] Kosovo is waiting for us. What must we do for Kosovo today and in the future?

[Alia] The unsolved national question of the Albanians in Yugoslavia represents one of the sorest points of the Yugoslav crisis. This problem must necessarily draw the attention of Europe. However, we note with regret that the commitment to the Yugoslav crisis as a whole is not reflected in a concern for the Albanians in particular, when it is well known that the crisis in Yugoslavia began precisely in Kosovo, with the discontent the Albanian people expressed at their national discrimination.

The national question of the Albanians in Yugoslavia is a result of the partition of the ethnic Albanian territories in 1913, when the creation of the Albanian state did not involve extensive territories with more than one half of the Albanian population, who have never enjoyed national rights. After World War II, the Albanian people in Yugoslavia were subjected to a second partition. Without regard to the ethnic principle, they were divided into four constitutive federal units.

Other major injustices were perpetrated at the expense of the Albanian people in Yugoslavia. Kosovo's autonomy was removed, and its assembly was dissolved. The government and all the communal assemblies were suspended. The Albanians were deprived of all their national rights and dismissed from state institutions. Albanian-language teaching was forbidden. Tens of thousands of workers were dismissed from their jobs. As if this were not enough, the Serbian authorities have strengthened their military and police control of Kosovo and have expanded the activities of violent Chetnik forces. They continue to increase tension on the border with Albania, and violently suppress the protests of schoolchildren, students, and teachers.

It is logical for the Albanian people in Yugoslavia not to accept this injustice. It is also legitimate and right for them to protest and to organize themselves. This has

resulted in the declaration of independence, Kosovo's proclamation as a republic, the referendum for Kosovo as a sovereign and independent republic, and the creation of government institutions.

It could be said that the Yugoslav crisis is a test for Europe. Europe will either show itself to be democratic and will solve the problem fairly, bearing in mind the national aspirations of all peoples including the Albanians, or the Yugoslav "gangrene" will spread, exacerbating the danger of a return to the symptoms of the cold war in our continent. If Europe shows that it itself has changed, it will redress the injustices it has inherited.

The Republic of Albania and its people will unreservedly support the cause of their brothers across the border, so that they will gain all the rights that belong to them.

[Lani] Thank you.

Dimitrov Writes to Bush on Communist Property

AU1612205491 Sofia BTA in English 1754 GMT 16 Dec 91

[Text] Sofia, December 16 (BTA)—Mr. Filip Dimitrov, Bulgaria's prime minister, has sent a letter to U.S. President George Bush in which he informs Mr. Bush about the recently adopted act on the reversion to the state of the illegally acquired property of totalitarian parties and organizations.

The Bulgarian premier asks Mr. Bush to help secure the cooperation of the competent U.S. authorities in finding out whether such assets exist on the territory of the United States. Mr. Dimitrov will send similar letters to West European heads of state and government leaders, the cabinet's Press Centre announced today.

Defense Minister Ludzhev States Views on SFRY

AU1612181891 Sofia OTECHESTVEN VESTNIK in Bulgarian 11 Dec 91 p 1

[Krasimir Evlogiev report: "The Bulgarian Formula of Openness and Confidence Was Submitted to the NATO Guests"]

[Text] In a special statement for the press, Minister of Defense Dimitur Ludzhev explained Bulgaria's new formula in the military sphere. He also announced it to a NATO delegation, headed by General Dieter Klaus, deputy commander in chief of the NATO Allied Armed Forces in Europe, which paid an official visit to our country. Translated into political language this means responsibility, transparency, confidence, and cooperation, and in military terms it signifies that Bulgaria and the NATO member countries are no longer enemies. Experts from the two sides participating in the negotiations are working at full speed in order to fit the cooperation plans into contractual frameworks. It appears from all this that we are expected to coordinate our legislation in military affairs with that of the Atlantic pact. Bulgarian officers will be trained in specialized military schools. Many question marks concerning our military doctrine, which from now on is expected to be based on self-sufficiency and refraining from aggressive actions, will be eliminated. Answering the guests' question as to under what conditions we would be likely to go to war with Yugoslavia, the Bulgarian side categorically answered that this would happen only in the case of military aggression against Bulgaria. The NATO delegation was also interested to learn about the Bulgarian Army's readiness to participate in operations by UN forces. Such subunits do not exist in our country at the moment, but the readiness to participate in the operations in Kuwait during the Gulf war, and the "blue helmets" that we dispatched as observers to Western Sahara would at least help us to prepare a military battalion for this purpose, if the necessity arose.

Commitments were assumed in connection with Bulgaria's concern about the disruption of the military balance in the Balkans. Our country is considered an island of stability in the area and it is ready to live up to its reputation. Nevertheless, the Armies of Turkey and Greece are equipped with large amounts of modern weapons [kvotite]. Therefore, the Bulgarian side would consider it expedient if the numbers that were agreed upon at the CSCE conference were cut, or if weapons were moved farther away from the Bulgarian borders. Weapons made in the Soviet Union will continue to prevail in the Bulgarian Army. Their present share amounts to 80 percent, and agreement was reached with Boris Yeltsin for further exchanges of military equipment between Bulgaria and Russia in the near future.

Cabinet Urged To Recognize Macedonia Independence

AU1612142091 Sofia OTECHESTVEN VESTNIK in Bulgarian 10 Dec 91 p 3

[Velizar Enchev Article: "Why Is Bulgaria Silent?"]

[Text] After Macedonian Vice President Ljupco Georgievski resigned at the Republican Assembly an ostensible unity of thought settled in the Macedonian leadership. Education Minister Dimitar Dimitrov and Dragi Arsov, deputy chairman of the Assembly, left the Macedonian leading bodies together with Georgievski. All three are members or supporters of the Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity. In his speech at the Assembly Ljupco Georgievski accused President Kiro Gligorov of deliberately pushing the republic toward Serbia, something that opens up a real possibility of Macedonia remaining within the emerging Serboslavia.

Now it is becoming clear why the Macedonian leadership kept silent for so long about the bloody drama in Croatia, without taking sides. Now there is no doubt that the revelations of the opposition REPUBLIKA daily about secret deliveries of Macedonian oil for the Serbian tanks in Croatia were not a lie. Kiro Gligorov was and remains an ally of Serbian policy, despite declarations about the Republic's independence. If several days ago he started to speak enthusiastically about Macedonia's leaving disintegrating Yugoslavia, this was only because he became convinced that all his attempts to remain under the Serbian umbrella have been foiled by the same Serbian allies for whom Macedonia is southern Serbia.

Now Kiro Gligorov appeals to the world states to recognize Macedonia's independence, thus trying the conceal the previous wrong tactics of his team. However, this is a belated appeal, and it is almost certain that Macedonia will not be in the first group of former Yugoslav Republics that will be recognized as states. The eventual recognition of Macedonia, and Bosnia and Herzegovina remains a matter for next year, although the disagreement that has emerged between the United States and the EC could postpone this act ad infinitum.

Bulgaria faces a great question: Whether it should follow the logic of the great powers and their steps toward the Yugoslav Republics that are fighting for international recognition, or should select its own style, one that corresponds to its national interests? The second alternative means that we must immediately extend diplomatic recognition to Macedonia, without even awaiting the recognition of Croatia and Slovenia. This is so because regardless of the fact that Skopje is led by politicians reared with anti-Bulgarism, we are morally committed to our compatriots in Macedonia. Our silence, precisely at this moment, compromises the Bulgarian cause in Macedonia, and in essence, copies the current obedient policy of Kiro Gligorov toward Serbia.

While our obedience toward the West on this matter could bring us ad hoc political dividends, it will certainly remove the Bulgarians in Macedonia from the desired independence and freedom.

If Bulgaria does not become the first state to open its diplomatic mission in Skopje, this will be a sad admission of Bulgarian policy's inability to take care of its own interests. What flag other than the Bulgarian should hang over the building of the first embassy in the Republic of Macedonia? Who, but the Bulgarian ambassador should be the doyen of the future diplomatic corps in Skopje?

BSP To Walk Out of Assembly If Strike Fails

AU1612204691 Sofia BTA in English 1943 GMT 16 Dec 91

[Text] Sofia, December 16 (BTA)—The MP's of the Bulgarian Socialist Party (BSP) will walk out of parliament and thus try to provoke a political crisis if the general strike (scheduled for January 8 by the Confederation of Independent Trade Unions, KNSB) fails, a newscaster said on the national television tonight, citing sources which wished to remain anonymous. The BSP will stage a walk-out after the presidential elections if they are not thwarted by the strike, according to the same sources. The BSP Congress decided to support the scheduled strike.

Mr. Krustyu Petkov, KNSB leader, told the national television that the trade unions might in the end give up the strike in question. "We do not want to unite with the BSP. This would discredit us," Mr. Petkov said. According to him, the BSP is trying to form a leftist front.

BSP Congress Elects Zhan Videnov as New Leader

AU1712090091 Sofia Khorizont Radio Network in Bulgarian 0700 GMT 17 Dec 91

[Text] The new leader of the Bulgarian Socialist Party [BSP], elected at the 40th BSP Congress, is Mr. Zhan Videnov. He was elected as a result of two rounds of voting conducted last night.

In the first round of voting, the candidates included Aleksandur Lilov and Georgi Pirinski as well as Mr. Videnov. In the second round, Zhan Videnov won against Aleksandur Lilov by a substantial majority, obtaining 428 of the 608 valid votes.

The composition of the new BSP Supreme Council is also already known. The members of the council who obtained the most votes are Yanaki Stoilov, Zhan Videnov, Yuriy Borisov, Atanas Paparizov, Velislava Dureva, and Aleksandur Lilov. However, Andrey Lukanov, Elena Poptodorova, Svetoslav Michev, and Stefan Prodev failed to get elected, and thus were left outside the top party leadership for all practical purposes.

The congress decided to set up a Center for Strategic Analysis and Research into BSP Policy. Aleksandur Lilov was elected chief of the center by a large majority, and the BSP Supreme Council has the task of appointing a suitable team for the center during the next few days.

It was officially announced that the new Supreme Council will hold its first plenum on 19 December, when the party's deputy chairmen and members of the Executive Bureau will be elected.

In connection with the BSP Congress that ended in the early hours of this morning, we contacted Mikhail Nedelchev, spokesman of the Union of Democratic Forces [SDS], and recorded the following statement made by him on the telephone:

[Begin recording] [Correspondent] My only question is, how do you assess the election of Zhan Videnov as BSP leader, as chairman of the BSP Supreme Council?

[Nedelchev] It is a good thing that, after four days of the discussions, the leading body of the former Communist Party managed to elect a new personality as its chairman, a new man who has demonstrated good professional qualities in the debates in the National Assembly. Of course, it is difficult for me to comment on how far a well-trained lawyer might be the political leader able to bring this political formation out of its state of deep crisis, a party that, as we know, is trying to transform itself from a totalitarian formation into a modern left party, as its former leader put it. I personally have great doubts about this. Nonetheless, we must carefully observe the new actions of the new leader of our political opponents. Of course, if he does truly show willingness to change the actions of this formation, his efforts should be supported. I hope that he will not continue with the old practice of frightening people, of creating social apprehensions, of simulation, and of attempts to give a social democratic image to a formation that has nothing in common with such a political orientation. [end recording]

Delegates React to Videnov

AU1712104391 Sofia BTA in English 0933 GMT 17 Dec 91

[Iva Toncheva report: "The Socialists' New Leader"]

[Text] Sofia, December 17 (BTA)—Mr. Zhan Videnov is the new leader of Socialist, former Communist, Party. He is known as one of the young hardliners in the Bulgarian Socialist Party [BSP] and supporters of Aleksandur Lilov.

"It's no feat to replace an old Bolshevik by a new one," Dr. Petur Dertliev, the leader of the Social Democrats outside the Union of Democratic Forces (SDS), said. He described Zhan Videnov as a "conservative."

Zhan Videnov (32) is a Soviet university graduate. He studied at the Moscow Institute of International Relations. He speaks Russian, English and Arabic. He is married. He has worked at the Young Communist League and as a specialist in foreign economic relations. This is his second term in parliament as deputy of the second largest Bulgarian city—Plovdiv.

Mr. Zhan Videnov was elected early this morning by secret ballot and after two rounds of voting. He competed for the post of the former 58-year-old leader of the Socialists, Aleksandur Lilov against Georgi Pirinski (41) of the social democratic tendency in the BSP.

As was expected it was Aleksandur Lilov who polled the greatest number of the votes after the first round. He however, pointed to Zhan Videnov as his successor and called on the Socialists who had voted for him to support Zhan Videnov at the second round. Zhan Videnov tried to convince the congress that it would be difficult for him to assume this post and proposed that the BSP be ruled by a triumvirate. He was elected after the second round, polling 428 of the 608 votes.

On the whole, however, the delegates were not surprised by this turn of events. On the first and on the second day of the congress Aleksandur Lilov repeatedly stated that he would submit his resignation and that he is ready to withdraw from the leadership. But when the election of the new leadership began behind closed doors Aleksandur Lilov no longer offered to submit his resignation. While the elections lasted, in the lobbies of the hall he already looked like a leader, the delegates came to shake his hand and to congratulate him. His rivals looked lonesome. The real competition for the top leadership of the BSP was between the followers of social democracy, represented by Georgi Pirinski, and the advocates of the idea for a modern left socialist party, represented by Aleksandur Lilov and Zhan Videnov. Professor Chavdar Kyuranov, the author of the extensive report—"The Alternative," published in "DUMA" today, Georgi Pirinski and the now ex-deputy chairman of the BSP, Dimitur Yonchev, emerged as advocates at the social democratic idea at this congress.

In their statements before the first round of the elections, the "Social Democrats" said that if Aleksandur Lilov remained the leader of the BSP they will form a faction in the party but would not leave it, as groups of representatives of the alternative socialist organization did on several occasions in the past two years. The election of Zhan Videnov as leader of the party did not bother them so much. They believe that Zhan Videnov could be emancipated by the former leader Aleksandur Lilov.

But Aleksandur Lilov preserved his strong positions in the BSP. He will head the Strategic Analyses and Research Centre with the Supreme Council of the BSP. The Supreme Council of the BSP, elected last night, does not include ex-Prime Minister Andrey Lukanov, Stefan Prodev, editor-in-chief of "DUMA" and Georgi Pirinski.

According to the reformers themselves, at the congress they did not comprise even one-fifth of the delegates. As was expected, this was a congress of the hardliners, of the orthodox members of the former Communist Party.

KNSB Rejects BSP Congress Cooperation Bid

AU1612183091 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 16 Dec 91

[Text] This is the third day of the 40th Bulgarian Socialist Party [BSP] Congress. A session behind closed doors is discussing the composition of the leading organs. Amendments to the Party Statute have reportedly been adopted, but no details were disclosed.

Let us hear something that has been disclosed about the congress after all. The BSP shares the concern and supports the just claims of the Confederation of Independent Trade Unions in Bulgaria [KNSB] for the defense of the working people's interests.

Trade unionists, the BSP is offering you its assistance. Side by side, we can work to solve Bulgaria's problems. This is a quotation from a special address to the KNSB adopted by the 40th BSP Congress.

The offer of assistance by the Socialists to the trade union organization, led by Krustyu Petkov, is based on a joint initiative adopted at yesterday's congress session by Aleksandur Tomov, deputy chairman of the party, and Stefan Prodev, editor in chief of the daily DUMA, who launched the idea that the BSP should support the nationwide KNSB warning strike, scheduled for 8 January 1992.

Let us hear the answer of the KNSB which reads as follows:

We do not need the outstretched hand of one of your innumerable congresses. What is the use of it, gentlemen and comrades? It would be better if you tried to put some order into your own house. As far as our own affairs are concerned, we do not appreciate your intereference in them. This is how a telegram from the KNSB to the 40th BSP Congress reads.

TU Leader Petkov Writes 'Open Letter' to Members

AU1612141391 Sofia TRUD in Bulgarian 10 Dec 91 pp 1, 4

["Krustyo Petkov's Open Letter to Members of Confederation of Independent Trade Unions in Bulgaria"; place and date of issue not given]

[Text] Dear Friends,

1. The parliament began the discussion of the draft bill on confiscating the trade union property. This puts me and the other members of the leadership of the Confederation of Independent Trade Unions in Bulgaria [KNSB] in an extraordinary and complicated situation.

One year and 10 months ago your representatives elected me chairman of the newly established KNSB. With its charter and platform (and to an even greater extent, with its practical actions), the KNSB demonstrated that we have repudiated the totalitarian past of the former trade unions. At that time we also declared our readiness to work for the democratic changes in Bulgaria, and implemented this promise.

The confederation inherited the property of the Bulgarian Trade Unions—real estate to the tune of about 300 million leva and 25 million leva cash.

In accordance with the decisions of our congress, in November 1990 we returned property valued at 200 million leva to the state.

The rest of the property is utilized for the KNSB organizational activity and for developing economic activity the profit from which is used to assist the trade union members and socially deprived citizens.

2. The KNSB leadership has repeatedly stated, including in writing, that it is ready to divide the property of the former trade unions that still remains, with the other legitimate trade union—the Podkrepa Labor Confederation. This proposal is still valid, and the property could be divided on the basis of the two trade unions' membership.

If the state or other owners still have a part in the property we have, this could be proven in court, and the property could be returned in a legal manner.

Regardless of everything that was stated, the line of confiscating the entire KNSB property, including its organizations' finances, is a rigid and brutal line. It is inspired and implemented by the monarchist faction of the Podkrepa Labor Confederation and the National Assembly members who obey Dr. Konstantin Trenchev. The goal is to destroy the KNSB. They aim not only at annihilating the competitor of the Podkrepa Labor Confederation, but also at eliminating us as the only barrier to wild privatization, the sale of state property that has begun, the total and uncompromising restitution, and illegal labor relations.

The KNSB property, left by the former trade unions, does not belong to Krustyo Petkov, the KNSB Executive Committee, and the KNSB Coordinating Council. It has been acquired legally, and represents the investment of means collected through trade union membership fees before and after 9 September 1944.

Therefore, I address this open letter to you. You must decide what we should do in the present insane situation, in which lawlessness and force, rather than sense and legal order reign.

I appeal to you, dear brothers, to participate in the general trade union referendum on the property, organized by the KNSB.

It is your will that will determine our position.

I believe in you!

Democratic Center Claims Property Law Invalid

AU1612214491 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 16 Dec 91

[Text] In an open letter to the president of the republic and to the members of the Constitutional Court, the Political Council of the Bulgarian Democratic Center expresses its stance on the recent law on the property of the Bulgarian Communist Party [BCP] and its former satellite organizations, and on the amendments and addenda to the Law on the Former Supreme Judicial Council.

The law on the confiscation of property violates both the Constitution and international treaties on the defense of trade union assets, and has become a repressive measure rather than a procedural one [modalitet] as was originally intended, the letter reads.

The amendment of the Law on the Former Supreme Judicial Council is an opportunity for the Union of Democratic Forces to interfere with jurisdiction, the leaders of the Bulgarian Democratic Center think. Therefore, they call on the Constitutional Court and the president to repeal the aforementioned laws and render them invalid.

As far as the nationwide warning strike announced by the Confederation of Independent Trade Unions scheduled for 8 January 1992 is concerned, the Bulgarian Democratic Center has not adopted a specific view on the issue. This was announced at today's news conference at which it was explained that although some of the trade unions' demands are justified, a number of the problems could be resolved through negotiations.

National Bank Chief Outlines Economic Problems

AU1712102791 Vienna DIE PRESSE in German 17 Dec 91 p 11

["HO" report: "Sofia Needs Western Help"]

[Text] Vienna—Bulgaria wants to join the club of the three reform countries of Hungary, Poland, and CSFR as the fourth member. However, reforms only started in February 1991. In addition to the liberalization of prices and the change in Bulgaria's loan policy, privatization and restitution (return) of property are the most important tasks, Professor Todor Vulchev, president of the Bulgarian National Bank, said in a lecture at the Creditanstalt Bankverein Bank in Vienna.

The liberalization of prices resulted in a price increase. Monthly inflation reached 122.9 percent in February, 50.5 percent in March, and declined to 0.8 percent in May. In November it reached 5 percent again. At the same time, the basic interest rate was raised from 4.6 percent to 54 percent now, which roughly corresponds to the inflation. In addition, a unified floating exchange rate has been introduced since February 1991, which led to a devaluation of the currency.

The infrastructure is obsolete, and management has to be trained. The Austrian National Bank is making a valuable contribution to this. However, the country also needs foreign investments, which practically do not yet exist. The National Bank chief complained about insufficient Western support. Thus, the IMF provided far fewer loans than expected. The former regime had been supported considerably more by the West than the current one, Vulchev said.

Collapse of Trade With the East

Sofia is currently struggling with many problems. Industrial production is declining by more than 20 percent this year. One of the reasons is the collapse of trade with CEMA, which was particularly important in Bulgaria, involving up to 82 percent of overall trade. Large-scale production losses are also due to a lack of raw materials and the closing down of factories. The unemployment rate reaches 10.1 percent, which corresponds to 402,000 people. If the winter is harsh, a temporary collapse in the energy and transportation sectors must be expected.

The current government has taken over a heavy burden because of the debt moratorium of March 1990. Debts amount to $10 billion; $8.4 billion have been incurred with Western banks. It is hoped that a rescheduling agreement will be concluded in the London Club in January. After Germany and Japan, Austria is Bulgaria's third largest creditor.

Strikers Blockade Arsenal Company Building

AU1712120391 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 17 Dec 91

[Text] This morning Podkrepa strikers blockaded the central administration building of the Arsenal Company in Kazanluk, where most of the strikers' jobs are located. All internal and external communications have been cut off, in other words the building is completely cut off.

The strikers have stationed themselves outside entrances to the administrative blocks of the other company and factory buildings. The building of the Confederation of Independent Trade Unions in Bulgaria [KNSB] is also blockaded.

The protest was an expression of dissatisfaction with the Ministry of Industry and Trade, which examined the strikers' demands yesterday. It was decided to continue the blockade until Minister Ivan Pushkarov personally gives the matter the necessary attention.

Klaus Views Economic Reforms, Privatization

AU1712110191 Vienna DIE PRESSE in German 17 Dec 91 p 3

["Exclusive" interview with Finance Minister Vaclav Klaus by Karl-Peter Schwarz; place and date not given: "We Are Quickly Adjusting to the World Market"]

[Text] [Schwarz] Mr. Finance Minister, in Poland and Hungary, the process of economic restructuring has come to a standstill. The CSFR, on the other hand, has achieved a lot so far. The foreign trade monopoly has been abolished, prices have been released, and, nevertheless, inflation has been contained. Why?

[Klaus] I can judge the situation in Poland and Hungary only from the outside. There is no doubt that the reform process has been visibly slowing in both countries. In Hungary, there is no one really pushing reforms ahead. In Poland, the political situation is completely unclear. Particularly in regard to privatization, I do not see any progress.

[Schwarz] What is the basic difference between the reforms in the CSFR and those in Poland or Hungary?

[Klaus] Despite all the difficulties, in the CSFR there is still a political and social consensus among the population in favor of economic reform. This is the most important thing, but it also requires tireless work. One has to give several interviews per day, write two editorials per week, speak at public rallies at least twice a week. One must explain, argue, and defend one's position. This is what we are doing in the CSFR. This is not done in Poland and in Hungary. We have understood that we have to talk to the people directly.

[Schwarz] Why has the decisive step, the privatization of the large enterprises, now suddenly been postponed by two months?

[Klaus] You know, I am really very impatient, but if one looks at the historic scope of large-scale privatization, it is really no problem whether it starts on 2 January or on 2 March. Even though any delay constitutes a loss in credibility, if one wants to privatize thousands of large enterprises, one must not see the postponement by a few weeks as so tragic, because of the excessive administrative workload.

[Schwarz] One of the distinguishing features of the CSFR privatization model is that part of the state property is passed on to the population in the form of coupons, which can be exchanged for shares at a later stage. Since 1 November, the citizens have had the opportunity to have their coupons registered, but interest does not seem to be overwhelming.

[Klaus] The postponement of large-scale privatization, on which Privatization Minister Tomas Jezek has insisted, has certainly contributed to this. Nevertheless, one must interpret the trend correctly. I have here the statistics for the first 28 days. During this relatively brief period 280,000 coupon books were registered, and the trend is strongly increasing. After all, people still have enough time for that.

[Schwarz] Structural change in industry has not yet really begun. You still have monopoly enterprises. High customs duties and import duties particularly protect those enterprises that would need drastic market economy treatment most urgently, for instance the foodstuffs industry.

[Klaus] Of course, we want the adjustment of the supply side and the restructuring of industry to proceed much more quickly. But, please, remember that 60 percent of our trade was dominated by the Soviet Union only two years ago. This share was out of proportion with other foreign trade partners. This year the majority of our exports have gone to the FRG. This shows how quick and dramatic this adjustment to the world market has been.

[Schwarz] What about the speed of the so-called small-scale privatization?

[Klaus] Until a year ago, my sons—who are 17 and 22 now—had never bought anything in a private shop. Now there are only private shops in our district. My sons, who are responsible for shopping in our family, have not bought one single item in a state-owned shop over the past three months. In my opinion, this is the viewpoint from which I must assess the success or failure and the speed of privatization.

[Schwarz] The unemployment rate is still low. What sort of growth rate do you expect?

[Klaus] Unemployment will certainly increase next year, perhaps to a rate of 8 or 10 percent. This would mean almost doubling the current rate. In the short term, it might be even higher.

The structural change is unavoidable. We have now reduced import duties from 15 to 10 percent. I am for abolishing all protectionist measures quickly and massively, but, of course, there is a struggle with the responsible ministers in the government, and there are powerful lobbies in the CSFR.

[Schwarz] You are not only finance minister but also chairman of the "Civic Democratic Party" (ODS), the strongest political force in the Czech Republic. In view of the expected social tensions, should you not be interested in early elections?

[Klaus] Even though I am party chairman, I am also a member of the government. Thus, my situation cannot be compared with that of Slovak opposition leader Vladimir Meciar, who calls for new elections. After all, he has enough time to prepare the elections. I do not. I do not want to postpone or advance the elections, I accept the regular date in June. At the moment, in any case, I am not thinking of new elections.

[Schwarz] Among the Slovak people, you are the most hated Czech politician because of your economic program but, in the permanent conflict about the new constitutional order, you are markedly restrained. Even Meciar praised you for that recently.

[Klaus] I am really not sure whether the Slovaks hate me as much as they claim. The opinion polls do not show that. In the polls, I am more popular than Federal Prime Minister Marian Calfa, who is a Slovak.

However, some Slovak politicians and journalists really hate me—I do not want to deny that. One must cooperate with the politicians in Slovakia, and the situation is not simple. Unfortunately, I cannot say that one party there is much better than another one. This is why I am a bit restrained in this respect.

[Schwarz] Do you believe that the CSFR will continue to exist?

[Klaus] From the very beginning, I have been clearly in favor of a functioning federation. I believe that we can still work on this basis.

Nevertheless, the possibility of separation of the two republics must now be considered a real possibility and no longer just as a theoretical one. The elections will clarify this issue more clearly than a referendum or other "third paths" to political decisions.

Defends Budgetary Policy

AU1712093191 Bratislava NARODNA OBRODA in Slovak 14 Dec 91 pp 1-2

[CSTK report: "Does the Budget Suffer from Claustrophobia"]

[Text] Prague—Yesterday, the Planning and Budget Committees of both Federal Assembly chambers began discussing the government draft federal budget for 1992 that is expected to be put on the agenda of the 19th joint meeting by the end of next week.

[Finance Minister] Vaclav Klaus (Civic Democratic Party), in the introduction to his speech to committee members, made an appeal demanding that parliament should not allow a provisional budget to be passed. A provisional budget would actually issue a very unfavorable signal to foreign investors and such a budget would tend to be unbalanced.

Minimization of the Economic Decline

Klaus further said that the 1992 budget should be balanced and that the budget should stress minimization of the economic decline and not restrictive anti-inflationary measures. According to an estimate, the gross national product in 1992 will decline between 3 and 6 percent. This will impose restrictions on budget expenditures.

The Deficit Will Not Help

The minister pointed out that operating a deficit state budget would not increase but actually reduce overall demand and, as a consequence, lead to further cuts in production. Government bonds would most likely be bought by saving banks and insurance companies, not by individuals. These financial institutions would draw funds from their bank accounts and, consequently, would have to lower their commercial interest rates.

The Budget Is Not Anti-Social

Klaus remarked that social spending from the state budget will increase from 52 to 55 percent and rejected allegations that state budgetary policy has an anti-social aspect.

Social Policy is Ineffective

When he responded to questions by deputies, he said that he considered it quite legitimate for amendments to some laws concerning tax rates and social allowances to be discussed within the budget's framework, since this is a common practice elsewhere. According to him, the amendments and nine laws under consideration are a part of the global economic policy, and if measures are taken in social and employment policy, it will mean that "laws containing poorly conceived ideas" are being refined. Klaus said that social policy is inefficient, too global, and very expensive.

Lack of Courage

During the discussion, Milos Zeman (Civic Movement) said that a deficit budget had been presented in parliament, yet it is being pretended that this budget is balanced—there is a lack of courage to say what the real situation is. He pointed to the fact that the 1991 budget was also presented as a surplus budget, yet as early as November it showed a deficit of 2.5 billion korunas. Moreover, it is impossible to anticipate in next year's budget the extraordinary income from price liberalization, income of some 25 billion korunas this year. According to Zeman, the 1992 budget is too optimistic about the unfreezing of Czechoslovak assets worth 7 billion korunas. Moreover, 13 billion korunas in public spending will be financed from government bonds.

Illusory Thinking

Zeman said that it is an illusion to think that the budgetary problems are caused by subsidies worth 5 billion korunas to republic budgets and said that many problems had become obvious long before a few weeks ago. In conclusion, he called for jointly seeking ways to minimize the deficit. Klaus resolutely rejected statements suggesting that the budget was in deficit.

Why Do We Need Nine Amendments?

Deputy Rostislav Senjuk (independent—elected for the Civic Forum) criticized the course of action taken by the government, since the government presented nine draft

amendments together with the budget. He said that he had been assured recently that no amendments to the tax law would be conceivable in the near future.

Putting the Social Peace at Risk

Michal Borgul (Party of the Democratic Left), chairman of the People's Chamber Budgetary Committee, said that the government is solving budgetary problems by restricting social spending by almost 13 billion korunas. According to him, this is a very insensitive course of action that can put the social peace at risk, a peace without which a successful transformation of the Czechoslovak economy is impossible.

Will There Be One Million Unemployed?

Representatives of the Confederation of Trade Unions stressed that reducing the number of people receiving the state compensatory allowance will strongly affect people with low incomes, for whom the 140 korunas is often as much as 5 percent of their income. They pointed out that unemployment may reach one million next year. In this connection, it is not the best idea to reduce the lower limit of unemployment benefits and shorten the period for which unemployment benefits are paid. Trade unions do not object to lowering the upper limit of benefits and to stricter procedures for awarding benefits.

Left-Wing Deputies Boycott Vote on Klaus' Bills

AU1712105491 Prague RUDE PRAVO in Czech 13 Dec 91 pp 1-2

["ADA, NIG"-signed report: "Klaus' Bills Did Not Pass; The President's Were Put Off"]

[Excerpts] Prague— An unpleasant surprise awaited Federal Minister of Finance Vaclav Klaus in the Federal Assembly on 12 December, when he submitted for approval the Law on the Czechoslovak State Bank and the Law on Banks. Both bills were rejected. In another vote, the deputies decided to postpone the debate on the president's bills until January.

Klaus' introductory statement, in which he stressed the great importance of the Law on the Czechoslovak State Bank, did not help. A single vote in the Chamber of Nations, needed for the bill to be passed, was lacking. As Deputy Michal Bencik (Party of the Democratic Left) declared in the parliamentary lobbies, left-wing deputies always wanted to act as constructive opposition and have given support to most government-sponsored bills. After the approval of the Criminal Code with Article 260 [outlawing the propagation of communism], however, they will leave the decision up to the government parties, which have a sufficient majority in the Federal Assembly to be able to push through their bills. Left-wing deputies intend to act in this way as long as the [Federal Assembly's] Petition Committee does not assume a positive stand on the already prepared amendment of Article 260 of the Criminal Code. [passage omitted]

The only two bills on which the two chambers were able to agree on Thursday were the Law on Accounting and the Law on Civilian Service. The Law on Civilian Service, in contrast to the existing legislation, does not make it possible to opt for civilian service while undergoing basic military training. Civilian service is 50 percent longer than military service. The deputies did not approve the government-proposed commissions that were to examine the draftees' motives for requesting civilian service.

Defense Council Views Economy's Impact on Defense

AU1712125991 Bratislava PRAVDA in Slovak 14 Dec 91 p 1

[CSTK report: "The Theses of the CSFR Security Doctrine"]

[Text] Prague—Chairman Marian Calfa presided over the seventh session of the State Defense Council attended by CSFR President Vaclav Havel, which convened in Prague yesterday. The Council discussed the draft measures creating the basic conditions for implementing the principles of the CSFR military doctrine, and the approach toward the tasks related to assuring CSFR sovereignty and territorial inviolability.

The theses of the CSFR security doctrine were one of the important items on the agenda. They are to form the basis for designing an integral state-security concept. The Council also took a stand on the problems of the expediency of the Czechoslovak economy with respect to state defense alertness, and entrusted the CSFR economy minister with the task of submitting a proposal to the CSFR Government on how to deal with these problems. At the same time, it acknowledged that the creation of general conditions for assuring the sovereignty of the Czechoslovak state must be in accordance with its economic possibilities.

Novotny Explains Status of Intelligence Service

AU1712114391 Prague LIDOVE NOVINY in Czech 12 Dec 91 pp 1-3

[Interview with Jiri Novotny, outgoing director of the Federal Security Intelligence Service, by Jan Subert; place and date not given: "Top Secret World"]

[Text] The case of John Bok and Jaroslav Basta. The allegedly mimimal effect of intelligence work. The announcement of Jiri Novotny's offer to resign from his post and his sudden illness. In the final analysis, the Czechoslovak secret service has again become the center of attention. At this time, however, it is virtually impossible to extract the truth from the jumble of bitter attacks, unconfirmed reports, and speculations. Jiri Novotny, director of the Federal Security and Information Service [FIS], complied with our request and broke his long silence:

[Subert] Speculations about illness as a camouflaging maneuver that would enable you to leave inconspicuously have not been confirmed. How are you feeling?

[Novotny] Very well. It was neither a heart attack nor a stroke. The final diagnosis indicates a complete physical exhaustion syndrome, signs of which I had felt for several weeks. In the hospital, where I was not allowed to watch television and had nothing to read, I did nothing but sleep and eat. I feel relaxed and in good health.

[Subert] Does your offer to resign have anything to do with the fact that you were commissioned FIS director, but were never actually appointed to the office?

[Novotny] Yes, but not in the way it might seem. Personally, I have not perceived any difference. I have all the powers that go with the post. I do, however, perceive the status quo as a service problem. I mentioned this in my letter to the president. I have offered my post in the interest of the FIS—which needs a permanent director—and if the president determines that it is not going to be me.

[Subert] Counterintelligence, as well as yourself, has been the focus of numerous bitter attacks. Why have you not put up a defense?

[Novotny] Nowhere in the world does the secret service hold discussions with the press, and if an intelligence chief actually grants an interview, it is an exceptional event. The director of a certain West European secret service has granted two interviews in 11 years, and both times the questions had to be submitted in writing. He took nine months to answer in the first instance, and two years in the second. We are entering Europe and, therefore, we must adopt its custom and rules even in this specific sphere. The secret service world is a singular, highly restricted world that has its own ethics and code of conduct. This interview, too, is a very exclusive one, and I have decided to give it only because we are still in a transitional political period.

[Subert] So, what is really going on? So far, we only know what the other side has to say, because they have been voicing their opinion clearly for several weeks.

[Novotny] The primary reason for all the excitement is the intrinsic characteristic features of some of our former fellow workers, and the entire problem was caused by their dismissal. I will explain. There was a critical shortage of new people at the time our organization was being formed, and virtually everybody who was interested was also hired. This, of course, is no longer the case. Nevertheless, many neophytes were hired at the time, who because of their natural make-up and long-term habits, as it has gradually come out, did not have the fundamental prerequisites for work in such a specific organization as the secret service. For instance, they are unable to keep quiet, lack internal discipline, cannot dispose of their political involvement, do not identify with the objectives of the service, and so on. All these people—regardless of their coming with the best intentions, and being honest and respectable people—must leave the service. They cannot be reproached either—they truly did not know, and could not know what organization they were joining. I can swear on my honor that I have not dismissed a single person for personal reasons.

[Subert] The meeting of John Bok and former FIS Deputy Director Jaroslav Basta with the president should not belong in the category of shortcomings you have just listed....

[Novotny] I will try to express it differently. The mission of the FIS is completed by the presentation of the obtained material to its addressees. Our mission is over at that very moment. We are only a SERVICE, and no more. It is entirely up to the constitutional officials how—and whether at all—they use the submitted report. Similarly, for instance, the FIS leadership cannot tell each officer how his information will be used. In either case, the secret service officer who obtained the relevant information can certainly be disappointed that nothing is happening. If, however, he begins to contemplate the necessity of influencing the "inactive" constitutional officials, or even attempts to push through something on his own and without the knowledge of his superiors, he has no place in the secret service of a democratic state. This is the way the State Security behaved when it actually controlled the state by orders based on information it obtained.

[Subert] According to our information, something similar also happened in the case of Ostrava-Mosnov, when one of the FIS officers, on his own and without your knowledge, passed a certain intelligence item onto the operational units. What is the share of the secret service in the decision that led to the implementation of the Mosnov operation?

[Novotny] Excuse me, but on principle I cannot discuss specific FIS operations with media representatives. That would be a very dangerous precedent.

[Subert] So, let me approach it in general, and from a different angle. The criticism includes the observation that the FIS is far from operating the way it should. The results are said to be meager, the contribution to state security imperceptible, and an information leak continues....

[Novotny] The information leak is directly related to what I said about the prerequisites necessary for secret service work. The solution lies in a long-term process, in training new people, and in punishing those who have not grasped the elementary principles of secret service work. Regarding the degree of usefulness and the urgency of our information, it is not for me to decide, and I do not even want to judge it from this point of view. It is up to the constitutional officials to assess our work. Personally, I believe that our service is beginning to operate properly, and that we are bringing interesting information. According to the law on the FIS, it is our duty to

supply information to the constitutional officials, and only they are fully competent to answer this question.

[Subert] You must be able to comment on the composition [of the FIS], and on the professional quality of your people. The allegedly high number of former State Security members who are still employed by the FIS is also a target of harsh attacks.

[Novotny] I mentioned the beginning of the service. We are more selective today, and we are removing people who cannot handle their posts. This leads to the well-known affairs. I can say with full responsibility that the leading posts are occupied by individuals who satisfy the high criteria and requirements. The portion of former State Security members who were granted an exception with respect to the screenings law does not even reach 10 percent of all staff. The same is true about the officers recalled to active duty. Not a single person among them holds a leading post. Most of them have retired and those who stayed do not have the power of command.

[Subert] Many polemics could probably be avoided, if at least some results of your work were made public. Otherwise, you will continue to have difficulties with gaining prestige and public trust.

[Novotny] The idea of some direct public support is nice, but I am afraid that it is somewhat misleading and unrealistic. A secret service cannot communicate with the public. The law delegates the links between us and the citizens to the control group of Federal Assembly deputies, who are the only people with the information necessary to evaluate us. Moreover, one must realize—and the public should know this—that we often work on cases where human lives are literally at stake. Let us say that, because of us, the police arrest a member of a dangerous terrorist group. If we boasted that the lion's share in the success belongs to us, we would make ourselves the subject of revenge. Unfortunately, we cannot even hint at the results of our work to the public. It is a thankless job, but this is the lot of the secret service that must stay behind the scenes.

[Subert] Nevertheless, one cannot prevent the public from taking an interest in your organization. You are here—under different names, and a subject of numerous disputes—for two years now, and you are the fourth director....

[Novotny] Of the former communist countries, we are the only one to form a new secret service composed of new people, equipped with safety valves against abuse, and operating on new principles. We managed this in eighteen months, and it was an extremely difficult and demanding process, in which we made numerous mistakes for which we are still paying. At this price, however, an organization has been established that is capable of developing in the right direction. At this time, we are standing on the threshold of the independent existence of the sovereign secret service of a free, sovereign state.

Change Expected Under New Director

AU1612171591 Bratislava SLOVENSKY DENNIK in Slovak 14 Dec 91 pp 1-2

[CSTK report: "V. Havel: Nothing Extraordinary"]

[Text] President Vaclav Havel dismissed Jiri Novotny from his post as director of the Federal Security and Information Service [FIS] yesterday. The dismissal will take effect on 1 January 1992. He has appointed Stefan Bacinsky, a Federal Assembly deputy representing the Civic Democratic Union-Public Against Violence [ODU-VPN] party, FIS director following a recommendation from the Federal Government.

At yesterday's meeting with representatives of the secret security service, which was also attended by Federal Prime Minister Marian Calfa, Havel emphasized that the FIS director's replacement is "nothing extraordinary." He stated that it is the result of long-term considerations. "We knew that a permanent director of this institution would be appointed sooner or later," Havel said. According to CSTK's information, Novotny was appointed temporary FIS director five months ago.

Havel said yesterday that Novotny helped lay the foundations of the secret security service and implemented extensive personnel changes during his tenure. Havel thanked Novotny for his work and expressed his conviction that he will be helpful to Bacinsky during the transition period.

The special Federal Assembly committee overseeing the secret service's work expects the changes that have already begun to accelerate with the replacement of the FIS director. It also expects consolidation, conceptual work, and good organization aimed at fulfilling FIS tasks. Julius Bobovnicky (Christian Democratic Movement), chairman of the Assembly committee, said this in a statement to a CSTK correspondent yesterday. At the same time, he did not rule out the possibility that the committee would initiate a 90 percent turnover in secret service management within a very short period. Bobovnicky made this statement in reference to a report compiled by the eight-member committee. He also said that the committee submitted a report on the FIS to the Federal Assembly Presidium on 11 December.

Bacinsky told a CSTK correspondent yesterday that he wants to keep his mandate as a Federal Assembly deputy. He has given up his ODU-VPN membership, however, as his duties are incompatible with political party membership. Bacinsky refused to discuss his views on the operation of the secret service. He would only say that he accepts his appointment with a feeling of responsibility and with the knowledge, as far as his family is concerned, that he will be much busier.

Bacinsky, a Slovak, was born in 1954. He is a lawyer and was elected to the Federal Assembly Chamber of Nations on behalf of the VPN in 1990. He is active in the Chamber of Nations Constitutional and Legal Affairs

Committee and in the parliamentary committee investigating the events of 17 November.

Security Team Watching Events in 'Former USSR'

AU1612165691 Prague LIDOVE NOVINY in Czech 14 Dec 91 p 2

["(ert)"-signed report: "The Special Security Team Has Been Convened"]

[Text] Prague—Uncertain internal developments in the former USSR, the Central European states' security vacuum, and our immediate vicinity to a tense eastern neighbor are the main reasons for reactivating the special security team convened by Federal Deputy Interior Minister Jan Ruml. As Interior Ministry Spokesman M. Fendrych stated, the team is composed of representatives of the Federal Interior Ministry, the Federal Police Force, Military Defense Intelligence, the Army General Staff, and the Federal Security and Information Service [FIS].

The team acts as a coordination and operational center for the evaluation of intelligence and open-source information. Its mission is to concentrate and analyze information on events in the collapsing eastern power. Based on the information at our disposal, we can assume that its main task is to prepare a coordinated response to the possible influx of refugees that could besiege our eastern border in the event that chaos, disorder, and civil war break out on the territory of the former Soviet Union. The presence of FIS representatives indicates the increased attention that the team and security elements are paying—in the event of the escalation of further development—to the risk of possible renewed activity by our pre-November regime's former power and political structures.

Cooperative Farmers Warn Against Shortages

AU1612153991 Prague RUDE PRAVO in Czech 13 Dec 91 p 3

["NN"-signed report: "Farmers Warn of Milk Shortage"]

[Text] Prague— Agricultural output is falling at a faster pace than foreseen in the [government's] agrarian program, to the point where the threshold of food sufficiency is threatened. There is not only a shortage of pork but, in some regions, even a shortage of milk, said Emil Dufala, chairman of the federal Cooperative Farmers' Union, at a news conference on 12 December.

According to Emil Dufala, the number of heads of cattle dropped to 4,312,000 as of 31 October, which is roughly 300,000 below the number provided for the concept for reducing agricultural output. Not only has the number of cows been substantially reduced but the average annual milk yield, too, has declined by about 300 liters (10 percent), which jeopardizes an unhindered milk supply.

According to preliminary estimates, agricultural enterprises will end this year with a loss of 15 billion korunas. At the same time, a further cut in agricultural subsidies has been proposed for next year. It was noted, in this context, that about one-quarter of this year's agricultural subsidies were used to subsidize food exports.

Dufala also pointed out the lack of interest in private farming. As of 30 September, 70,712 applicants for land restitution were registered in the Czech Republic and an additional 32,185 applications had been settled. Of them, 27,383 took over fewer than 2 hectares, and only 1,120 took more than 10 hectares of farm land, however. Besides, the greatest part of the 1.25 billion of korunas in subsidies for private farmers was used to improve self-supply [samozasobeni], rather than to increase production for the market. For example, private farmers today account for only 1.36 percent of milk production.

Antall Comments on Outcome of Brussels EC Talks

LD1712094291 Budapest Kossuth Radio Network in Hungarian 0500 GMT 17 Dec 91

[Text] Due to fog, Jozsef Antall did not fly directly to Budapest from Brussels but landed in Vienna late last night. Our reporter Peter Zentai was the first to ask the prime minister about his Brussels discussions. Jozsef Antall said that the European Community in principle favors recognizing the independence of the Yugoslav republics, but they were looking for the most suitable time for taking the coordinated step. He said: We must bear in mind that if the borders are recognized then the war will have to be judged differently. In that case, the Yugoslav Army could be termed an aggressor because it would be attacking independent countries.

[Zentai] At Vienna's airport I asked the prime minister to outline the gist of his separate discussions in Brussels with the Polish and Czechoslovak heads of state, which took place after the three politicians signed the association agreement with the Common Market.

[Begin Antall recording] We discussed the system of shaping common positions, that is, how these three countries should regularly discuss common problems. These include relations with the EC, the Yugoslav issue and an analysis of the Soviet situation, all bilateral problems, including the question of how we can, within the three countries, take the first steps in the direction of a free trade zone similar to the EC, in other words to prepare among ourselves the road which we would like to follow with the EC. We agreed on the system for this—cooperation of ambassadors at the various international organizations. We agreed on certain schedules. [end recording]

Views Advantages of New EC Status

LD1612212991 Budapest MTI in English 1952 GMT 16 Dec 91

[Text] Brussels, December 16 (MTI)—By concluding its EC association accords, Hungary successfully docked itself to Western Europe, Hungarian Prime Minister Jozsef Antall told MTI today. The economic and political significance of the association accords cannot be handled separately, Antall said.

The accords' economic significance lies in the EC receiving more than 50 per cent of Hungarian exports. After the recent EC summit in Maastricht passing a decision on creating a united Europe, both economic and political questions arise, Antall said, adding as the European union will take its final form within a decade, during when Hungary has to create a structure suitable for EC membership.

The European union will also mean an integration politically and in the sphere of security. It will breathe life into the Western European Union, not affecting NATO unity, of course, Antall said.

"All foreign investments in Hungary imply a commitment to our security," he said. A key element in association is that by becoming associated EC members, Czechoslovakia, Hungary and Poland have received the future opportunity to become full EC members, Antall said.

Economic Ties to Commonwealth Republics 'Healthy'

LD1612230191 Budapest MTI in English 1640 GMT 16 Dec 91

[Text] Budapest, December 16 (MTI)—The lights look green for Hungary to develop healthy economic ties with the breakaway republics of the Soviet Union, Hungarian International Economic Relations Ministry officials said.

Economic agreements for next year have already been signed with Belarus, Russia and the Ukraine.

Until now nearly 98 per cent of Hungarian-Soviet trade had been conducted with these republics, Hungary hopes bilateral trade with the individual republics will grow further, even if in the form of barter deals.

Nearly 88 per cent of Soviet debts owed to Hungary fall on Belarus, Russia and the Ukraine. According to an agreement concluded with Russia, the republic will pay 300-350 million US dollars next year. Talks are underway with other debtor republics as well, ministry sources said.

Interior Ministry Reports 50,000 SFRY Refugees

LD1612170191 Budapest MTI in English 1604 GMT 16 Dec 91

[Text] Budapest, December 16 (MTI)—Since July about 50,000 people have fled Yugoslavia and come to Hungary, Political Secretary of State Istvan Morvay told an Interior Ministry news conference today.

To cope with this massive influx, parliament has set aside 800 million forints to provide for refugees this year, and the UN high commissioner for refugees office contributed 2.7 million dollars a few weeks ago. Journalists were told the UN high commissioner for refugees would arrive in Hungary early next year.

Morvay said the recent international conferences revealed no major rise in the number of East European refugees, in contrast to the considerable Soviet emigration forecast in the beginning of the year. The concerned countries intend stalling illegal migration by bilateral state treaties.

Minorities Secretary Denies Territorial Claims

AU1612115291 Bratislava NARODNA OBRODA in Slovak 12 Dec 91 p 4

[Igor Cibula article: "Who is Playing a False Card?"]

[Text] Budapest—On the Hungarian political scene some extremist declarations on historically outdated claims against Slovakia, have disquieted our public. These declarations were even interpreted by one prominent Czechoslovak politician as an argument against legitimate efforts to achieve a relationship of equal partners between the Slovak and the Czech Republic. For this reason, I have asked Dr. Geza Entz, state secretary for Hungarian minorities abroad, to define the official Hungarian stance on the so-called Great Hungary and explain the circumstances that could lead to possible tensions in our mutual relations.

According to him, the "idea of Great Hungary belongs to history and will be studied by researchers. Certain tension in our relations ensues from the fact that one nation suspects the other of having the worst intentions, and believes this suspicion is a reality. The Hungarians and the Slovaks have equal interest in the elimination of tension. It is not in our interest that one nation should gain advantages to the detriment of the other. In no event can our national objectives go against the interests of the Slovak nation. I do not even believe that Hungarians living in Slovakia have political goals that would jeopardize Slovak interests. The Hungarians do not consider the Slovaks to be their enemy, on the contrary, they consider them to be their strategic partner."

Dr. Entz, state secretary for Hungarian minorities abroad, personally stressed that "Hungarian parliamentary parties concur in their opinion that social changes taking place in our countries must be oriented toward creating stability in the Central European region. One of the basic elements of this stability requires that each nation be given its rights, irrespective of whether this nation lives in its own country or as an ethnic minority in a neighboring state. Each nation, including the Slovak nation, has the right to independence."

A matter of great significance may be considered Entz's declaration stating that disputes "may arise" about where the state borders are and where the ethnic borders are as has happened in Yugoslavia now, or as the Romanian Parliament proclaimed prior to the Ukrainian referendum on independence on the territory of north Bukovina and south Bessarabia. The Hungarian Government rejects forcible means in politics, irrespective of whether they are used within Hungarian borders or outside its territory. Hungary considers the Paris Peace Treaty of 1947 and the CSCE Final Act—which Hungary signed in Helsinki in 1975—to be the basis for its policy. It rejects any accusations that it is trying to forcibly change its borders, since Hungary has no territorial claims against its neighbors."

Those who try to play the so-called Hungarian card on the Czechoslovak domestic political scene should be aware of what Dr. Geza Entz, state secretary for Hungarian minorities abroad, said: "Problematic territorial questions, such as raised in Yugoslavia, for example, can only be solved by talks. In no event will Hungary count on a military solution to any dispute."

Goncz Notes 'Successful' South American Trip

LD1512232291 Budapest MTI in English 1718 GMT 15 Dec 91

[Text] Caracas, December 14 (MTI)—"My visit to South America was truly successful," Hungarian President Arpad Goncz told Hungarian journalists accompanying him on a trip to four South American countries, Chile, Colombia, Ecuador and Venezuela. In all four countries, Goncz received a warm welcome, and all Hungarian proposals were met by approval.

High-level delegations from the four countries will visit Hungary next year, to explore actual cooperation possibilities, Goncz reported. The visiting delegations are expected to include South American business people as well, thus facilitating a genuine discussion concerning the full range of political and economic ties, the first such opportunity in the history of Hungarian-South American relations.

Colombia and Ecuador are to organize "national weeks" in Hungary next year, Goncz told journalists. Another important result of the talks in the cultural sphere is the opening of a technical university, bearing the name of St. Stephen, founder of the Hungarian state, in Colombia next year. The initiator of the new university, who will also be the head of the institution, is a Colombian, who received his university degree in Hungary.

South America and the East-Central European region are facing a number of similar problems, and that emphasizes the need for the development of ties between the regions, Venezuelan President Carlos Andres Perez told Hungarian journalists assessing Arpad Goncz's visit to Venezuela. A Hungarian-Venezuelan joint economic committee should be set up soon, Perez said. The committee is expected to hold its first session next year.

Hungary and Venezuela share similar views on international affairs. As both countries are to become nonpermanent members of the UN Security Council next January, that can serve as a new sphere for bilateral cooperation, Goncz and Perez agreed.

Venezuela is primarily guided by the effort to prevent the establishment of a "one-pole world order", Perez reportedly said during the talks. President Goncz is to return to Budapest on Sunday.

Hungarian Democratic Forum Conference Continues

Antall Rejects Screening Calls

LD1612215591 Budapest Kossuth Radio Network in Hungarian 1100 GMT 15 Dec 91

[Text] Yesterday afternoon and evening, Hungarian Democratic Forum [MDF] delegates discussed the party's activity up till now and the tasks facing the movement in section meetings. These opinions must today be incorporated into the form of a resolution, and

new leaders must be elected to head the party. Kata Peli-Nagy reports on this morning's events.

[Peli-Nagy] Tamas Szabo, chairman of the session, said today's three-hour forum showed purposeful, well-thought-out contributions, concentrating on the tasks that have been heard. The delegates and guests, whose contributions were limited to three minutes, touched on two significant areas. On the one hand, they urged the realization of a true system change, on the other they proposed radical, though at times contradictory steps in the interests of an upswing in the economy. Some urged the strengthening of government intervention and increased supervision in the economy. Others urged a policy of tax concessions, which would favor ventures. However, everyone agreed in the main that the MDF would only have a really good chance in the politics of the future if people lived better.

The question of political and historical justice was several times the subject of the speakers, during the course of which a rather discontented, radical voice was also raised, which prompted a reply from Isvtan Csurka and also Jozsef Antall.

The delegate urged a review of political pasts, a true system change, not just in areas of the public administration apparatus, but also in the sphere of officials participating in government work. To underpin his demand, he showed a list, which had been circulated among members of the national conference since yesterday, and which features the names and professional, political pasts of those who today aid the work of the government as advisors or experts.

Istvan Csurka, who immediately asked for leave to speak, unequivocally rejected this tone, saying it was not fitted for the Democratic Forum. He said it was obvious that the apparatus must be screened, but in a sober way and not on the basis of information plucked out of the air.

Following this, unusually, Jozsef Antall also asked for leave to speak, as by (?name) and function, he had been indirectly attacked. He took an unequivocal position alongside those experts who, as he said, may have sat on the other side during the roundtable negotiations, but later contributed to the creation of the new constitution. He considers it absurd that one of the National Assembly deputies, namely Istvan Balas, is preparing and circulating lists. It may be that he is motivated by a citizen's worry, but he is harming the credibility of the party, said Jozsef Antall.

Lajos Fur Elected Chairman

LD1612221291 Budapest Kossuth Radio Network in Hungarian 1700 GMT 15 Dec 91

[Excerpt] The Hungarian Democratic Forum [MDF] has concluded its two-day national conference. Minister of Defense Lajos Fur was elected the party's executive chairman. Listen to a report by Andras Vadi. First, Prime Minister Jozsef Antall speaks.

[Begin recording] [Antall] At its two-day national conference, the MDF proved that it can think and behave as a government party, and as a government party it first and foremost deals with values of content, with issues that present serious problems for the country.

[Vadi] In the afternoon, the positions of the various sections were outlined. On behalf of the forum organizing section (Katalin Sillo) stated that in order for the MDF to be a modern, well-organized parliamentary party with a wide appeal for the movement, the organization of the MDF in local organizations should be improved. The delegate added that it would be necessary to create and operate an appropriate group of experts.

The section on culture, education policy, youth, sports and information dealt with the public service activity of Hungarian Radio and Television. They established that, I quote, the media, instead of showing and analyzing real social processes, provide masses of one-sided, over-politicized programs. Distortion and suppression are daily. Profaning manifestations are frequent.

Ivan Szabo outlined the proposals of the section on finance and ecomomic policy. According to the deputy, a clearer and faster privatization policy should be maintained, and incomes should first of all be spent on the reduction of state debts.

The delegates received with the greatest applause the proposal in which the government was asked to do its utmost, using all its prestige and available influence, in order that we receive the right to hold the 1996 World Expo. [passage omitted] [end recording]

Fur Comments on Party Program

LD1712115591 Budapest Kossuth Radio Network in Hungarian 2100 GMT 17 Dec 91

[Interview with Lajos Fur, newly elected executive chairman of the Hungarian Democratic Forum, MDF, by correspondent Kata Peli-Nagy; place and date not given—recorded]

[Text] [Peli-Nagy] What will be your task?

[Fur] To direct the future work of the MDF, primarily its practical work. My predecessor was Balazs Horvath who has fulfilled these tasks up to now, and I will continue this.

[Peli-Nagy] How do you evaluate this two-day conference?

[Fur] I consider it to be a very balanced national rally with a very definite tone, which has in fact confirmed the hitherto policies and which wishes to represent that in a much more determined way. It was free from internal fights, very harmonious, but it was a national rally which produced serious criticisms and disputes when needed.

[Peli-Nagy] How much of the hitherto program has been realized?

[Fur] I set five important areas: the creation of political democracy, putting the economy back on its feet, the mobilization of society, recovering the country's independence, and creating the conditions for the survival of Magyardom in the whole Carpathian Basin. In my view two of these have been fulfilled: political democracy lives and operates in Hungary. The country is free, sovereign, and independent. The recovery of the economy has started, but unfortunately this will be the hard work of not only one or two years but several years. Society's mobilization has just about succeeded, a kind of a negative tendency has also appeared here, and the creating of conditions for the survival of Magyardom is also not a campaign task, it will be a continuous, long-term task which demands constant alert attention.

Antall Addresses Closing Session

LD1612222291 Budapest MTV Television Network in Hungarian 0530 GMT 16 Dec 91

[Text] The Hungarian Democratic Forum [MDF] has proved that it is capable of acting as a government party. This was stated by Jozsef Antall in his speech closing the party's two-day conference. According to the party chairman, the policy represented by the MDF was the only possible method for the change in the system.

[Unidentified correspondent] Other parties had no implementable concepts for privatization, compensation, or handling the debts, stated the prime minister. The MDF has proved that it comes up to what is expected of its position as a government party. It did not just elaborate a government program, which has so far stood the test of time, but it has also been able to implement it.

Jozsef Antall thinks that frequently the critics accentuate the negative points and keep silent about the successes, such as the fact, for example, that the country's foreign currency reserves have quadrupled, that we are able to pay our debts, and that we are getting new credits from the West.

The head of the government pledged faith in the coalition. It is a fact, he said, that the party alliance can be held together [only] with hard compromises, but this is necessary if parliament is to be able to operate. Compromises have to be made. The program has to be implemented. The criticisms have to be borne, since we could not expect the first government since the change in the system to be completely successful.

MDF's Balazs Horvath Explains Resignation

AU1612143791 Budapest MAGYAR HIRLAP in Hungarian 14 Dec 91 p 4

[Interview with Minister Without Portfolio Balazs Horvath by Janos Bercsi; place and date not given: "Balazs Horvath: Fur Guarantee for Balanced Role—My Resignation Was Necessary...."]

[Text] Minister Without Portfolio Balazs Horvath has resigned from his post as managing deputy chairman of the Hungarian Democratic Forum [MDF], and he has been replaced by [Defense Minister] Lajos Fur. Prior to the fifth National MDF Congress, we asked Horvath about the party's future, the changes in the party leadership, and the reasons behind his resignation....

[Horvath] An agreement was reached that the deputy chairman post would be a rotating one, so to speak. Furthermore, I would like to undertake major tasks, and when I have finished with my work, I generally stand up content.... Similarly to the time when I acted as interior minister, this time I totally had to rebuild the MDF's structure because the previous leading officials had become parliamentary representatives or government members. Right from the start, my opinion was that we should open up to our citizens, so we had to strengthen the movement-aspect of our party. By this I mean various events, like the MDF Academy, organized in collaboration with adult education centers, proprietors' circles, and foundations.... I think that Lajos Fur will be far more suitable for these tasks, and that is why I suggested him as new deputy chairman when I resigned.

[Bercsi] Many people believe that your career is on a descending slope and that you are gradually being forced out of politics.

[Horvath] I think that I accomplished the task that I had undertaken in the MDF, and I believe that my resignation had in fact become a necessity. At the same time, I am a member of the executive leadership, so there has been no great change.

[Bercsi] Some people believe that the changes that have taken place in the party leadership, particularly the election of Istvan Csurka as deputy chairman, signal the MDF's strong move to the right, and Lajos Fur's nomination is also an advantage for the popular-national wing....

[Horvath] Istvan Csurka was a member of the executive leadership until now, too, on a rotational basis. Personally, I do not think that Istvan Csurka will make that MDF move to the right or become more radical. We have to make a clear distinction between the surface of Istvan Csurka's public appearances and their content—in other words, what he really does...! He is always consistent in what he does, so I think that the danger of radicalization is merely a nightmare.

[Bercsi] Some people are afraid that apart from the MDF's popular-national wing, we will also see the emergence of so-called populist forces in the near future....

[Horvath] I think that Lajos Fur is a suitable person, and he is also a guarantee for a balanced role in both the leadership and the MDF's life.... It is true that Lajos Fur clearly thinks in terms of people and nation, and you can say a lot of things about Fur, but you cannot call him a populist! I think that Fur will guarantee a much greater openness in the MDF in the future. I do not think that

this will lead to any kind of change, or change in emphasis, for the party or for the three major schools of thought.

[Bercsi] The next question is: Which tendency will become the dominant one in the MDF?

[Horvath] It is incredibly difficult to answer that question. I am just as marked by Christian democracy, European culture, and the recognition of traditions as by what we call the national liberal ideology. I also think in terms of the Hungarian people and the Hungarian nation—without any kind of penchant for a "third way...." I could not even give you an estimate of the number of people who stand behind the various groups.

Nevertheless, I would call on everyone to make a distinction between the radicalism that stems from a person's disposition and the political philosophy advocated by that person! These days, people have a great tendency to label those who advocate a popular national ideology (who sometimes defend their opinion with greater determination) as radicals. That is foolish.... You will find many more radicals among those who advocate national liberal and Christian democratic ideologies.

[Bercsi] At the same time, it seems that the public is not just turning away from radical politicians, but right-out rejecting soapbox orators....

[Horvath] I have thought a lot about why our citizens have had enough of politics. However, it seems that they have not had enough of politics because they politicize just as much as before. It is just that lately, they have taken an aversion to resolute political tones. I am also extremely disturbed by the style that has come to prevail in parliament and in Hungarian political life. Let me give you a graphic example of this:

One night, I went to a restaurant with two friends of mine to discuss something. The people sitting at the surrounding tables immediately noticed us, and the people at one table criticized us while the people at another table defended us. Ten minutes later, the people from the two tables were almost fighting! So we preferred to leave....

This political style will simply leech political life, because we have to realize: We did not know how to govern, but at the same time, the opposition has not learned and refuses to acknowledge how the opposition should act. It is quite a serious slip to blame all the disadvantages resulting from lacking years of experience on the governing parties. The opposition is just as responsible for this tone of voice...! I simply find it impossible to understand why one cannot talk calmly with an opposition representative in the corridors of parliament—although there are exceptions! I swear that this does not disturb me, but the opposition representative keeps turning his head to make sure that nobody sees him talking to a minister....

Neither Hungarian society, nor the governing forces, nor the opposition forces have learned the basic rules necessary for a normal political atmosphere, and consequently, they cannot use use their tools....

Workers Councils Federation Opposes Strike Call

LD1612141391 Budapest Kossuth Radio Network in Hungarian 1100 GMT 16 Dec 91

[Text] The Presidium of the National Federation of Workers' Councils does not agree with the call by the National Federation of Hungarian Trade Unions [MSzOSz] for a two-hour warning strike [on 17 December]. The stand of the organization's leadership, issued today, emphasizes that the fact that negotiations between the government and the employees have not broken down counts as a great achievement. For this reason, in the view of the Presidium, all steps which endanger an agreement are inexpedient. According to the National Federation of Workers' Councils, the MSzOSz has appropriated the demands of the employees.

The strike declared for tomorrow has also been rejected by the Trade Union of Locomotive Drivers. In their communique, they emphasize that they agree with the objectives, but will not join the strike because they are to commence talks in a few days' time with the transportation department on the situation of the railways.

Reportage on 16 Dec Events, Olszewski Resignation

UD Not Expected To Support Cabinet

LD1612154691 Warsaw Radio Warszawa Network in Polish 1500 GMT 16 Dec 91

[Report by correspondent Andrzej Jelenski on Prime Minister Jan Olszewski's meeting with Democratic Union Parliamentary Floor Group Presidium in Warsaw on 16 December—recorded]

[Text] After the meeting, Tadeusz Mazowiecki, whom I spoke to, said that the prime minister presented the composition of his government to the floor group and also asked for special powers for the cabinet being formed. When I asked Mr. Mazowiecki what the attitude of the Democratic Union [UD] would be, he replied that the group was not inclined to support Prime Minister Olszewski's cabinet in the Sejm, although if the government were to be formed, maybe the UD would be in favor of requesting special powers for the Olszewski cabinet.

UD Will Not Enter New Government

LD1612160591 Warsaw PAP in English 1533 GMT 16 Dec 91

[Text] Warsaw, Dec. 16—Leader of the Democratic Union (UD) Tadeusz Mazowiecki stated he did not think the UD would vote for a new government, after a half an hour meeting of the presidium of the UD parliamentary floor group with Prime Minister Jan Olszewski on Monday.

Mazowiecki said that "The UD defined its stand: It will not enter the new government. It has not got any proposals."

"We were acquainted with a proposed make-up of the new government and some elements of the economic programme that we will have to examine. The UD is outside the government," he stressed.

Mazowiecki said that the UD floor group would make a decision and he did not expect it to vote for the new government.

Prime Minister Olszewski refused to make any comments and said he had not yet finished talks with the president.

Walesa Meets Olszewski

LD1612194291 Warsaw TVP Television Network in Polish 1830 GMT 16 Dec 91

[Text] President Lech Walesa and Prime Minister Jan Olszewski held a 40-minute meeting at the Belvedere Palace this morning. The prime minister handed the president a list containing the composition of his cabinet, together with the economic program proposed by the new government.

One of the politicians belonging to the four center-right coalition parties told us that President Lech Walesa rejected the composition and program of Jan Olszewski's government without acquainting himself with it. We have found out that, at a meeting of the Council of Elders, Prime Minister Jan Olszewski shared his doubts as to whether, in the existing situation, his mission ought to continue. Opinions, apparently, were divided.

KPN Support for Cabinet 'Difficult'

LD1612215491 Warsaw PAP in English 2049 GMT 16 Dec 91

[Text] Warsaw, Dec. 16—Andrzej Drzycimski, the presidential spokesman, announced on Monday afternoon that the "president acknowledged the proposals of government composition and its programme" presented to him by Prime Minister Jan Olszewski earlier in the day and that he "respects the prime minister's proposals."

Drzycimski blamed Olszewski for failing to see the president for the second time on Monday and said that "The president was waiting all the afternoon for the prime minister."

Jaroslaw Kaczynski, leader of the Centre Alliance (PC), one of the four centre-right coalition parties attempting to form the government, said on Monday evening that the president should support the government of a parliamentary majority and called it a precondition of a democratic rule. Kaczynski also claimed that the Olszewski cabinet still has a great chance of winning the parliamentary majority.

Meanwhile, the Confederation for an Independent Poland (KPN) was asked not to take part in the government at a meeting of leaders of the four centre-right parties with Prime Minister Olszewski on Monday. According to Krzysztof Krol of the KPN that move was to allegedly win the support of the president and the Democratic Union (UD), the largest parliamentary grouping, for the Olszewski cabinet.

Krol told journalists that in this situation it will be very difficult for KPN to support the Olszewski cabinet, while KPN leader Leszek Moczulski announced that his party is very likely to make up its mind on the voting over the government at the last moment and feared that such a cabinet will not be able to fulfill its mission.

Waldemar Pawlak, leader of the Polish Peasant Party (PSL), the fourth largest grouping in the fragmented Polish parliament, announced his party will not stand in the way of appointing the Olszewski cabinet but made the PSL support for this cabinet conditional on the scope of influence on government activity offered to PSL and the programme proposed by the cabinet.

'Unofficial' Cabinet List Reported

LD1612211491 Warsaw PAP in English 2022 GMT 16 Dec 91

[Text] Warsaw, Dec. 16—Prime Minister Jan Olszewski on Monday asked President Lech Walesa to postpone today's meeting for Tuesday, December 17, before noon.

During his earlier meeting Monday Olszewski is said to have presented to Walesa the following list of candidates for cabinet members (unofficial version):

Deputy Prime Minister, head of the Central Planning Office: Jerzy Eysymontt
Head of the Council of Ministers' office: Wojciech Wlodarczyk
Minister of national education: Zdobyslaw Flisowski
Minister of finance: Adam Tanski
Minister of justice: Zbigniew Dyka
Head of the Ministry of Spatial Economy and Building (to be liquidated): Andrzej Diakonow
Minister of national defence: Lech Kaczynski
Minister of environment: Stefan Kozlowski
Minister of labour and social affairs: Jerzy Kropiwnicki
Minister of communications: Marek Rusin
Head of the Ministry of Privatization (to be liquidated): Bogdan Michalski
Head of the Ministry of Industry (to be liquidated): Andrzej Lipko
Minister of health: Marian Miskiewicz
Minister of internal affairs: Antoni Macierewicz
Minister of transport: Ewaryst Waligorski
Minister for foreign economic relations: Adam Glapinski
Minister of agriculture: Gabriel Janowski
Minister of culture and arts: Andrzej Sicinski
Head of the committee for scientific research: Antoni Kuklinski.

By Monday, no one has been named for the post of the minister of foreign affairs.

Parties View Proposed Cabinet

LD1712020791 Warsaw PAP in English 2356 GMT 16 Dec 91

[Text] Warsaw, Dec. 16—Prime Minister Jan Olszewski proposed his cabinet and its programme to President Lech Walesa on Monday morning but failed to reach agreement with the president on the composition of the cabinet.

Olszewski did not turn up for a second meeting with the president later in the day and asked him to postpone it till Tuesday after tiresome meetings he had held with party leaders throughout the day.

Jaroslaw Kaczynski, leader of the Centre Alliance (PC) that masterminded the coalition that proposed Olszewski for prime minister told journalists that Lech Walesa "expressed his lack of interest in the prime minister's proposals." Similar opinions were available from Sejm (lower house) deputies.

Andrzej Drzycimski, the presidential spokesman, however, expressed his surprise over opinions questioning the success of Prime Minister Olszewski's mission. "Somebody is losing temper," he said. Drzycimski claimed such statements were not made by the president and said that the president "respects the prime minister's proposals."

Drzycimski also announced that the second meeting between the president and prime minister scheduled for Monday has been postponed for Tuesday on Jan Olszewski's request.

After meeting Walesa in the morning Jan Olszewski met with the council of senior deputies, leaders of four parliamentary floor groups and leaders of the four centre-right parties attempting to form a coalition government.

Jaroslaw Kaczynski of the PC claimed that the Olszewski cabinet still has a great chance of winning the parliamentary majority and that the president should support such a government.

Meanwhile, the Confederation for an Independent Poland (KPN) was asked not to take part in the government at a meeting of leaders of the four centre-right parties with Prime Minister Olszewski on Monday. According to Krzysztof Krol of the KPN that move was to allegedly win the support of the president and the Democratic Union (UD), the largest parliamentary grouping, for the Olszewski cabinet.

Krol told journalists that in this situation it will be very difficult for the KPN to support the Olszewski cabinet, while KPN leader Leszek Moczulski announced that his party is very likely to make up its mind on the voting over the government at the last moment and feared that such a cabinet will not be able to fulfil its mission.

Waldemar Pawlak, leader of the Polish Peasant Party (PSL), the fourth largest grouping in the fragmented Polish Parliament, announced his party will not stand in the way of appointing the Olszewski cabinet but made the PSL support for this cabinet conditional on the scope of influence on government activity offered to PSL and the programme proposed by the cabinet.

Tadeusz Mazowiecki, leader of the Democratic Union said: "I do not think we will vote for (Olszewski cabineted.)"

The parliamentary floor group of the Christian Democrats, however, declared it will support the cabinet and its programme.

Olszewski himself, looking apparently tired, refused to talk to journalists. "I have not finished my talks with the president," he told newsmen after meeting Mazowiecki.

Prime Minister Olszewski was expected to make his major policy speech to the Parliament on Tuesday.

Sejm Council: Olszewski Will Resign

LD1712133191 Warsaw Radio Warszawa Network in Polish 1300 GMT 17 Dec 91

[Text] At the end of the [Sejm] Council of Elders' meeting, journalists were informed that Prime Minister Jan Olszewski will be resigning his office and sending a letter about this to Sejm Speaker Wieslaw Chrzanowski.

It is unlikely that the prime minister will speak at the Sejm forum today. Leaving the Council of Elders proceedings, Jan Olszewski said he will comment about all issues at a news conference during the first interval in today's Sejm sitting. A news conference by Sejm Speaker Wieslaw Chrzanowski has also been announced. It is also being said in the Sejm that a meeting between the Council of Elders and President Lech Walesa is possible.

Speaker Reads Olszewski Resignation

LD1712144791 Warsaw Radio Warszawa Network in Polish 1400 GMT 17 Dec 91

[Letter of resignation by Prime Minister Jan Olszewski to Sejm Speaker Chrzanowski; read by Chrzanowski to a meeting of the Sejm in Warsaw—live]

[Text] I would like to inform the House that the chairman of the Council of Ministers has sent me the following letter:

Dear Mr Speaker,

I submit my resignation from the government-forming mission entrusted to me by the Sejm of the Polish Republic.

The effective functioning of the top bodies of state power, which is compatible with the principles of democracy, requires their mutual loyalty. I have stated many times that I should not become a reason for hampering cooperation between the president, the government, and the Sejm. During his conversation yesterday with me, the president stated that he would not cooperate with the government whose composition and program I had presented to him. In this situation, despite the support given to me by the Sejm, I see no possibility to fulfill the mission entrusted to me.

Signed: Jan Olszewski, Warsaw, 17 December 1991.

In connection with the above, the Sejm Presidium, in consultation with the Council of Elders, proposes that item five on the agenda, concerning the statement by the chairman of the Council of Ministers on the proposed government composition and work program, be deleted.

Peasant Alliance's Balazs on Coalition Talks

PM1612121591 Szczecin GLOS SZCZECINSKI in Polish 4 Dec 91 pp 1, 7

[Interview with Artur Balazs, member of Peasant Alliance leadership team, by correspondent Mieczyslaw Kaczanowski on 30 November; place not given—Part Three]

[Excerpt] [passage omitted] [Kaczanowski] It was rather unfortunate that the "Five's" organizational efficiency resulted, in their very first public Sejm appearance, in a proliferation of deputy speakers' posts. This may have given satisfaction to the coalition members, but it does not bode well for the future.

[Balazs] All in all, only one additional Sejm speaker's seat was created. Consequently, the rumpus raised around this whole affair is totally artificial. I do not intend to try to persuade anyone that this turn of events was inevitable, but the fragmentation of forces within the Sejm had to be reflected accordingly in any case.

[Kaczanowski] Your name was also mentioned among the candidates for the post of deputy Sejm speaker.

[Balazs] I will not deny that such a proposal was submitted and that it was both supported and approved by the coalition "Five.". However, I refused to have my candidacy submitted formally. My decision was made for the sake of the interests and the internal cohesion of the Peasant Alliance party. Eventually, we proposed Henryk Bak of the Polish Peasant Party-Mikolajczyk Legacy [member of Peasant Alliance group] as our candidate.

[Kaczanowski] This implies that the party interest prevailed above any other, does it not?

[Balazs] You could interpret it so, though in my opinion it is for the sake of long-term party interest, not for the immediate future. Our political group comprises three member parties and cannot afford to play off the interests of individual members against one another. A member of our group, Polish Peasant Party-Solidarity, tried to secure the post of deputy Senate speaker for Jozef Slisz, who held it already in the previous Sejm. It would be unfortunate for the Peasant Alliance's group cohesion if all the major posts were filled by candidates from Polish Peasant Party-Solidarity. During the debates held by our parliamentary caucus, I was also proposed as a candidate, but I refused to run for the post, and there was no vote on the proposal at all.

[Kaczanowski] I am beginning to form the impression that the coalition of "Five" was only able to demonstrate such admirable effectiveness in its operations, because important parliamentary positions were at stake. It is to be expected that it will behave very differently when it comes to the task of forming the new government.

[Balazs] I would assess the situation differently. The lengthy talks we held among ourselves have already

cleared many doubts, and the scale of our divergences is now steadily diminishing. But I cannot state definitively that they will eventually disappear. There are certain angles of viewing our economic problems over which we still differ substantially.

[Kaczanowski] To cite an instance, we know of the argument between Gabriel Janowski and the liberals over minimum prices for farmers.

[Balazs] Janowski, who is chairman of the Individual Farmers' Solidarity, is very much committed to the course adopted by the previous Sejm. I will not deny that this could generate a serious conflict when it comes to forming the government and mapping out its program.

[Kaczanowski] The Liberals have behaved very oddly all this time. For example, they issued a declaration stating that it was unfortunate that the Democratic Union did not have its own representative on the Sejm Presidium, and yet immediately afterward they proposed their own candidate for Sejm deputy speaker against the very same Democratic Union. My impression is that, regardless of what Donald Tusk may say, the Liberals are still hankering after Bielecki as prime minister.

[Balazs] You cannot really put it like that. During a meeting with the president, a member of the Liberal Democratic Congress pointedly refused to endorse the president's high opinion of Prime Minister Bielecki and claimed that other Liberal Democratic Congress leaders view Bielecki in an altogether different light. I believe that the Liberals are sincerely in favor of Jan Olszewski as prime minister, and agree to such a solution as long as Bielecki is entrusted with the post of deputy prime minister responsible for economic affairs.

[Kaczanowski] In your "Five" group, there are at least two parties of a predominantly ideological nature. They are the Liberal Democratic Congress and the Christian National Union. The former base their program on liberal ideology; the latter, on Christian values.

[Balazs] I do not believe that ideological differences can play an important role when it comes to economic considerations—and we know that the latter are, after all, decisive. Both these parties are in favor of the right to private ownership, free market principles, and so on. There are much greater differences—which I have mentioned before—between the Liberal Democratic Congress and the Peasant Alliance. The Christian National Union is a group that very firmly emphasizes the church's social teaching and the Catholic ethic. On the whole, you can say that the course of our debates shows very clearly that the election campaign is well and truly over.

Certain declarations issued during the campaign and slogans used throughout it have lost all their topicality in view of the current pressing concern: our country's immediate future. The group of "Five" shows a strong sense of responsibility for the country's affairs. For the sake of these overriding interests, we are all prepared to consider concessions and compromises. Representatives of the Confederation for an Independent Poland have also shown themselves to be realistic and moderate in their claims this time. Even Leszek Moczulski has toned down his statements, and what he is saying now is indeed quite sensible.

[Kaczanowski] Maybe it is only because he is now within reach of his stated target: After all, the post of national defense minister is virtually certain to go to him.

[Balazs] I took part in all the talks that the "Five" were conducting among themselves, and I must state most categorically that not even one minute of that time was spent on individual government appointments. There was no division of spoils, contrary to what some commentators have suggested. Indeed, there was no talk on the subject apart from the question of who should be appointed prime minister and, possibly, deputy prime minister. Consequently, there could have been no division of spoils or anything of the kind.

[Kaczanowski] If this is so, then so much worse for the "Five's" future. We can now expect the quarrels to begin with a vengeance. Nothing can divide Poles as thoroughly as a scramble for high positions.

[Balazs] People belonging to the coalition of "Five" are representatives of the nation and should not be different from ordinary Poles. This is precisely why we decided to anticipate the possible reactions. We agreed loyally and definitively to approve the choice of Jan Olszewski for prime minister, and we guaranteed him an absolute right to select and appoint his own cabinet. We also drew the appropriate conclusions: A year ago, Mr. Olszewski had the whole cabinet selected and ready to be appointed. And that was precisely why he was himself not appointed prime minister. Consequently, he should begin, not with placing people in government posts, but with preparing his program.

[Kaczanowski] The president has shown that he can surprise us all. He also surprised you more than once. Now that the "small constitution" has been passed, he wants to appoint the whole new government by himself—without Parliament—which means without the "Five."

[Balazs] I would not be surprised if this proved to be the best solution of all. The president views our Polish affairs from a wider perspective and in terms of a longer time scale. I have full confidence in his actions. However, I am personally convinced that he will suggest that Jan Bielecki be reappointed prime minister and will form the new government.

EC Associate Membership Agreement Signed 16 Dec

Balcerowicz: Accord 'Turning Point'

LD1712014391 Warsaw PAP in English 0001 GMT 17 Dec 91

[Text] Warsaw, Dec. 16—Upon his return from Brussels where he signed the EC associate membership agreement, acting Premier Leszek Balcerowicz told newsmen here on Monday that it marked a turning point in the post-war history of Poland.

Balcerowicz claimed that "The negotiated agreement promises us some real benefits on the political as well as the economic level. We have the chance of attaining the final aim which is full membership of the EC. In this process the crucial thing is that we are involved in important political cooperation."

"This day in Brussels was an important event for Poland and for Europe. For Poland it is obvious that association with the EC is a moment which will influence the course of events in our country for the next few years, maybe even decades. This must be looked upon as one of the turning points of postwar history."

According to Jaroslaw Mulewicz from the Foreign Ministry, who was the chief negotiator in the Polish team, Poland needs to apply by 1994-5 at the latest if it wants to attain full membership before the year 2000.

The agreement will come into effect when the parliaments of the EC countries as well as those of the applicant countries ratify it.

The section of the agreement dealing with trade will become binding not later than March 1, 1992.

Once the agreement comes into force it will mean that:

—From the beginning of 1992 the EC will gradually remove tariffs on food imported from Poland and ease the quotas on it.

—From January 1, 1999 Poland will join the EC free trade area in industrial goods, and from the beginning of 1992 tariffs on most of these goods imported from Poland will be removed.

—Polish firms will have the same rights in the EC as Western ones.

—The EC will provide financial aid to Poland to restructure the economy.

—The agreement also lays down the basis of competition, rights of settlement, labour transfer and cultural cooperation.

However the condition of Poland's integration into the EC remains bringing Polish regulations into line with community norms and passing around 8,000 laws which are obligatory on the twelve member nations.

Skubiszewski Urges Continued Reforms

LD1612214191 Warsaw TVP Television Network in Polish 1830 GMT 16 Dec 91

[Interview with Foreign Minister Krzysztof Skubiszewski by unidentified correspondent in Brussels on 16 December—recorded]

[Excerpts] Treaties on the association of Poland, Hungary, and Czechoslovakia with the EC have been signed in Brussels: [passage omitted]

[Correspondent] On several occasions, Foreign Minister Krzysztof Skubiszewski expressed the hope that we would acquire membership in the EC, with full legal rights before the end of this decade. At the same time, however, it was decided at Maastricht that the Community would, during the same period, adopt a common currency—which means before the end of the decade. We might consider whether the decisions at Maastricht would not once again prolong our road to the EC.

[Skubiszewski] No, I do not think so. I think that the decisions at Maastricht also open up significant prospects for us. Poland will now be drawing very close to the European Community, and not only in the economic sphere. In my opinion, the essence of the matter boils down to our own house, to the creation of order in this house, to the continuation of those reforms and transformations that we began in 1989, and that are justifiably called the Balcerowicz Plan. This must continue.

[Correspondent] You are stressing this, Minister?

[Skubiszewski] Yes. This must continue; otherwise, we could lose our position even in the antechamber of Europe, and after all, we are in Europe today. [passage omitted]

EC Representative Views Association

AU1612203691 Warsaw ZYCIE WARSZAWY in Polish 12 Dec 91 p 6

[Interview with Alexander Dijckmeester, head of the EC Commission representation in Poland, by Ewa Boniecka; place and date not given: "The Most Difficult Stage Is Behind You"]

[Excerpts] [Boniecka] Mr. Ambassador, a year ago we talked about Poland's commencing negotiations concerning an agreement on associate membership in the EC, and you predicted that many difficulties, as well as successes, would accompany our policy of a "return to Europe." How do you now view the significance of the treaty on Poland's associate membership in the European Community, which is to be signed in Brussels on 16 December?

[Dijckmeester] The agreement on associate membership has to be ratified by the Polish Parliament, by the parliaments of the 12 EC member-states, and be approved by the European Parliament, which means that

it will be some time before it is fully implemented. Nevertheless, on the basis of the agreement with the Polish Government, which is also to be signed on 16 December, the EC Commission can implement some of that agreement's provisions as soon as it is signed. The most important thing is that an agreement has been concluded, and that marks an important step toward membership in the EC following an adjustment period.

The agreement on associate membership is an instrument that will support economic reforms and social changes in Poland. It also contains paragraphs dealing with cultural cooperation and establishes principles for close political dialogue between your country and the European Community, as well as various forms of cooperation with the European Parliament. As it was expected, the negotiations were complex, because the EC is going through a period of change, and in the light of this—I will put it this way—you had to board a rapidly moving train. However, now that the bridge has been crossed, the Polish economy is beginning to receive positive stimuli. The conclusion of the agreement also signals to international big business that it is worth investing in Poland. The most difficult stage is behind you.

[Boniecka] What influence will Poland have in Brussels during its period of associate membership in the EC? Is it not the case that decisions will be made without us?

[Dijckmeester] Regular consultations are one instrument that will help Poland and the EC to react to events. We have not produced a road map for the next 10 years, in such a way that we will not be able to alter it to take account of new facts. The situation in Europe is evolving very rapidly, and Poland has signed an agreement with the Twelve, who are undergoing and will undergo internal changes. There are fears about losing sovereignty to Brussels, in many other European countries that are currently debating whether to join the EC. Incidentally, the economy is an area in which decisions about many issues are already made in Brussels. It has to be realized that in international terms, there is no country or even organization that is completely independent. International economic development has reached a point at which the classic independence of the state no longer exists, and it is better to share that independence within a broader group than to remain on the sidelines without the possibility of being able to exercise some control over the situation in which one finds oneself. [passage omitted]

[Boniecka] Currently, there is a feeling in Poland that there is a need for greater government intervention in the economic reform processes that are under way. What is the EC's standpoint?

[Dijckmeester] Actions of that kind are inevitable, and it would be viewed positively by us. The most important issue in Poland at the present time is the creation of new jobs. It has to be remembered that 80 percent of new jobs worldwide are created by small and medium-sized companies. For this reason, the EC will help to set up such companies in your country. We will also assist in the setting up of business centers all over Poland and the restructuring of Polish agriculture. There has to be a movement of capital from Warsaw to the provinces.

[Boniecka] Poland has been developing, and will develop, increasingly close political links with the West. Will the agreement on associate membership speed up this process, and will this also apply to security?

[Dijckmeester] Formally, the EC is not concerned with security. The majority of the community's members are also members of NATO, which is intensifying cooperation with Poland, Czechoslovakia, and Hungary. However, regular political dialogue with the Twelve, which will stem from the association agreement, should lessen Poland's fears concerning threats to its security. I believe that the West cannot abandon Poland if such a threat should arise. If we had to do more than we are doing at the moment, then I am sure that we would provide assistance om a broad sense, in both the economic field and the political one, because it lies in our own interest. Quite simply, we cannot allow Poland to be left without the support of the West. [passage omitted]

Skubiszewski Claims West Approves Foreign Policy

LD1712022591 Warsaw PAP in English 0034 GMT 17 Dec 91

[Text] Warsaw, Dec. 16—"Our foreign policy towards the East as well as the West has met with substantial approval in the West," announced Foreign Minister Krzysztof Skubiszewski on Monday after his return from an EC session in Brussels.

"Our original solutions, which have helped show other countries the way to great transformations, have been well received. Our policy has been evaluated as considerate, calm and at the same time bringing very good results," said the minister.

Skubiszewski claimed that Poland was seen "as a country which through close relations to Russia, Ukraine and Belarus shows how to react to new reality." He emphasised that the speedy recognition of Ukrainian independence was accepted as an example of Poland's dynamic foreign policy.

"Today everyone is entering into that which we have been doing for 15 months now, that means maintaining relations with the republics. We did that at a time when nobody was talking to the republics," explained Skubiszewski.

Planning Office Reports Private Sector Growth

AU1612214991 Warsaw GAZETA WYBORCZA in Polish 12 Dec 91 p 3

['DZ'-signed report: "Private Business Is Moving the Economy Along"]

[Text] Nine months into this year, the number of small and medium-sized private companies has increased by one-fifth, that is, by exactly 244,378.

The expansion of private companies has lessened the impact of the profound recession in the public sector, but it cannot completely offset the crisis. That is not possible because the expansion of private business is still not large enough, say the experts at the Central Planning Administration.

The obstacles are the inefficiency of government offices and imperfect laws, especially in the areas of taxation, tariffs, and banking. According to the Central Planning Administration, state and public institutions are not providing business with adequate support. Prospective entrepreneurs lack capital and skills. The outlook for the future is also unclear, which encourages profits to be consumed rather than invested.

One-man businesses comprise the largest group of private enterprises (1,360,000), and their number has increased by 230,000 this year. The number of companies formed under the provisions of the commercial code has increased by 11,800, and the number of companies with foreign capital participation (joint ventures) grew by 1,858,000, which was the largest percentage increase and was spread out evenly over the nine months.

It would appear, therefore, that the July law on joint ventures, which abolished tax breaks, has not discouraged foreign investors. The trade and catering sectors are continuing to expand the most dynamically. During the third quarter, however, the number of restaurants and shops did not increase as rapidly as between April and September (by between 20 and 30 percent and by only 14 percent in the third quarter).

The rate at which employment in the private sector has grown has not been as rapid as the rate at which new companies have been formed. This has led Central Planning Administration analysts to conclude that many people are probably working unofficially—registering employees does not lie in the interest of employers (high insurance premiums) or employees (loss of the entitlement to unemployment benefit). During the last nine months, one-man businesses have paid about 6 trillion zlotys in taxes. That is about 4 percent more than the amount forecast for the entire year.

Private companies are playing an increasingly larger role in foreign trade. The value (in dollars) of their imports is 3.5 times higher than that of their exports, which causes an imbalance in our balance of payments situation. The private sector accounts for 13.8 percent of exports and as much as 43.3 percent of imports.

New Customs Tariffs Become Effective Early 1992

LD1612095191 Warsaw TVP Television Network in Polish 1830 GMT 13 Dec 91

[Text] Higher customs duties on imports of certain goods will come into effect from 1 January. This results from the need to protect the domestic market and from international conditioning factors. It was explained today at the Ministry of Foreign Economic Cooperation:

[Unidentified correspondent] This situation is brought about by the so-called previous customs conditions for certain imported goods expiring by the end of the year, coming into effect beginning 1 March of customs requirements resulting from Poland's association with the EC and the need to protect the Polish motor industry—something we were also forced into by General Motors, Fiat, and Citroen negotiators.

Customs duties of 35 percent will apply to passenger cars. The minimum duty on cars is also being raised: for those under four years, from 800-1500 dollars, and for those over four years, from 1500-3000 dollars. The ban on importing two-stroke engined cars and cars over 10 years old will remain in force. On the other hand, there will be no customs duties on parts and subassemblies for industrial assembly of cars, that is, for instance, on chassis or suspensions, but not on tires or headlights.

Duties on cigarettes are increasing from 55 to 90 percent. Furthermore, importers will have to produce quality attestations and import agreements. The minimum duties, in this case, will come to 10 dollars for every 1000 cigarettes. Duties on medicine, medical equipment, and orthopedic appliances, as well as on oil and natural gas will be suspended. Furthermore, the importation of dairy produce to Poland is being restricted to ensure minimum prices, which also follow from our international agreements and, additionally, will protect our agriculture. A total ban applies to the import of pure and clear spirits. There will be a 20 percent duty on computers, 30 percent on video recorders, television sets, record players, and cameras, 20 percent on packaged tea and 15 percent on loose tea. The latter is allegedly to encourage its packaging in Poland. On the other hand, the duty on phosphatic fertilizers goes down from 5 to 3.5 percent.

Text of Roman Letter to Iliescu Published

AU1612160891 Bucharest AZI in Romanian 13 Dec 91 p 3

["Letter Addressed to President Mr. Ion Iliescu by Mr. Petre Roman"; dated 9 December]

[Text] On the morning of 13 December, the following text was faxed to ROMPRES:

Last week, you suggested that we meet in order to reopen our political dialogue in a spirit of political responsibility. Because of this very sentiment of political responsibility, I must tell you now that I have serious doubts about the usefulness of such a meeting and whether it can lead to any results.

I valued our post-revolution common efforts for Romania's rebirth, after the devastating decades of dictatorship and general pauperization. We shared common goals at the time.

However, after February 1991, when you opposed the idea of renewing certain important state institutions and structures with people not linked to the communist past, after your direct intervention at last March's FSN [National Salvation Front] National Convention in favor of my removal from the party's leadership, and particularly after your stand last August against my government's communique of unequivocal condemnation of the communist coup in Moscow, our roads toward political and economic reform have parted.

Your capitulation last September to certain lawless actions [the miners' unrest] have confirmed before the country and the democratic world in general that our opinions on democracy and on the principles of democratic legality are categorically divergent.

Romania is at a historical crossroads. Behind us lies the bankruptcy of the communist system, a system that eliminated human rights and left us a disastrous and degenerated economy as an inheritance. This economy was shaped and run without any relation to the forces of the market and of true economic science and, what is more, without taking into consideration the nation's real social and economic needs.

After the revolution, we immediately took a number of steps toward democracy. The reform program launched on 28 June 1990, which aimed at radically changing all mechanisms, was largely implemented in the legislative sphere. We envisaged key measures at the time, and we drew up a draft strategic program to turn our bankrupt economy into a prosperous market economy. We embarked on the privatization of industry and agriculture in order to raise the people's living standard.

In spite of all this, last September's crisis brutally showed that our progress was not enough, that we must be more resolute, and that we must take faster steps to counter the influence of those using the old methods of manipulation, disinformation, and intimidation to block the reform process, something that left Romania in a continuous state of backwardness vis-a-vis the modern world and created serious confusion among the various social categories of people.

Finding ourselves at a turning point in our country's destiny, we must turn our back on the communist system, which has been sentenced by history, and we must resolutely and trustfully embark upon the road of democracy and of a viable market economy. Regardless of the party or parties at the helm of democratic Romania, they must express a total determination and ability to act, so as to fulfill the mission entrusted to them by the electorate, namely to restore our country's respected place in the great family of nations.

Many talented and competent people who share my opinions about Romania's future agreed to join me in drafting a new program for our country's complete rebirth: The rebirth of self respect, through strict observance of human rights, and the rebirth of decent living standards, through a healthy economy.

There are two options for those who feel that they are still bound to the past and have reservations about supporting this idea: If they are unable to observe constitutional procedures, they must withdraw; if they sincerely respect the Romanian people's common sense, they can engage in a truly democratic political debate.

In the forthcoming period, I consider it my duty to present a program to the nation for clarifying our road to democracy and a realistic plan for the implementation of economic reform. This program excludes half measures and the policy of compromise.

The recent past obliges us to draw the appropriate lessons, the most important of which are:

The basic institutions of the state must ensure and protect all democratic principles; the people responsible for these institutions must be fully devoted to their mission;

We must observe the new Constitution, which the people have endorsed with their vote, thus proving their wise feeling for historical developments;

Any responsible political formation called to form the government must explain the reasons for its actions to the people and the way in which each citizen should participate in the huge effort of rebuilding the country;

Political and economic reforms are inseparable and must be accelerated, without becoming the object of maneuvers behind the scenes or of false political debates;

We must find the most appropriate ways and means to devise a system of protection for those who are incapable—physically or psychologically—of adapting themselves to the rapid economic changes at the same pace as their compatriots.

What we want now is that the Romanian people should have the freedom of choosing the path they want to follow. Our compatriots must decide alone—in free and fair elections and in open political debates—if they want to choose the path of the past, with its half truths and half measures, or the path of the future, with its inherent strict observance of human rights, both in the social and economic spheres.

With regards,

Petre Roman

Note: These lines were written on 9 December 1991, before your televised interview for Associated Press. Your statements about me do not change in the least the content of this letter.

AZI: Roman-Iliescu Conciliation Not Possible

AU1612135191 Bucharest AZI in Romanian 13 Dec 91 p 1

[Octavian Stireanu article: "Attack on the Constitution"]

[Text] Hardly have the polling boxes of the referendum on the Constitution been emptied, when this new and laboriously worked out document is subjected to a first aggressive attack—exactly from the man that should have been its guarantor, so to say—that is, the country's president. In his latest (televised) interview, Mr. Ion Iliescu has inadmissibly interfered in the life of a party, by making political statements that are incompatible with the status of the presidential institution. As a matter of fact, no party and party leader have been submitted so far—not even in the period when we did not have a Constitution—to such a vehement attack from the president (we would dare add here, that is all one needed to add further ammunition to the antipresidential press!).

Now, the party directly and openly attacked by the president is the National Salvation Front [FSN] and its leader Petre Roman. We will write some more about the reasons behind that attack, but for now we will limit ourselves to stating that this gesture is profoundly antidemocratic and anticonstitutional. We do not and will never attack the president, let alone President Ion Iliescu, but we will be merciless with any anticonstitutional attempt and attitude—as is the case now, when the head of state, by discarding any idea of objectivity, equidistance, and so forth, allows himself to make very serious political assessments of a party and its leader.

It was clear that Mr. Iliescu's opinions were a signal for certain FSN parliamentarians, headed by Senator Vasile Vacaru, who gathered his troops and went to the Cotroceni Palace to obtain the blessing of the head of state to "make order" in the party! Therefore, there is no doubt that some people are again resorting to the communist method of settling accounts! Our gentle head of state provokes and lets himself become involved in such a "game," which is both antidemocratic and anticonstitutional.

It becomes increasingly clear that what we are dealing with here is not and cannot be an Iliescu-Roman conflict; we are talking about the clash between two political orientations, that is between the conservative trend of communist practices and mentalities, on the one hand, and the clear struggle for an authentic constitutional democracy, on the other. This inevitable collision is taking place on the eve of an important moment: the drawing up of electoral lists. When the Front indicated that it is determined to drop the fauna of black marketeers and former political indoctrination cadres—the first lot having blocked to the best of their ability both the course of reform and all innovating trends in the economy and the political life—the reaction was the known one. This was not to the liking of those inhabiting Cotroceni Hill [the seat of the presidential palace]!

In these conditions, one cannot talk about an "Iliescu-Roman conciliation," because this problem no longer arises. The conciliation is no longer possible even as an electoral tactic. The Front, which is clearly engaged in the battle for democracy, can no longer afford to carry—in an electoral campaign—the burden of antidemocratic and unconstitutional gestures, such as getting rid of the Roman government through the back door (last September) and the inadmissible interference in the inner life of a party (in December). We will probably be fewer, but certain more credible.

Senator Says Convention May Resolve FSN Split

AU1712103691 Bucharest ROMPRES in English 0940 GMT 17 Dec 91

[Text] Bucharest, ROMPRES 17/12/1991—"If the Front [National Salvation Front] will not be able to overcome this crisis, grave political unrests might sweep the country. The Front gave and gives an equilibrium and if the big majority of the citizens turn to the Front, it means that this equilibrium, this moderation is precisely what they wanted, what they needed," opines independent Senator Sergiu Nicolaescu in an interview with the information daily "CURIERUL NATIONAL."

Although apparently "there is no way for reconciliation" between Iliescu and Roman, the existence of this party, associated with the Romanian revolution "must not be endangered by such strife," the senator considers, believing that "a FSN convention organized as soon as possible, by January 20, might settle in a transparent, absolutely frank manner the situation in the Front." If the Front will not do it, "it may even disappear," Senator Nicolaescu says. He thinks Roman will be re-elected as leader "but he must accept this confrontation which is in fact a game of truth."

Petre Roman considers in an extensive interview with daily "TINERETUL LIBER" that "The FSN must become the party that builds democracy in Romania."

As for the split, the FSN national leader opines, it "cannot be decided in a meeting with the parliamentary groups" but "by a statutory way" at "a possible national convention." The main task of the Front, as seen by its leader, is not "to put forth a program for the local elections of February 1992" as "in this respect it lags behind."

Barladeanu on FSN Split, Possible Resignation

AU1712114591 Bucharest AZI in Romanian 13 Dec 91 p 2

[Interview with Senate President Alexandru Barladeanu by R. Ciobanu and M. Badea; place and date not given: "Mr. Barladeanu Is Ready To Resign"]

[Text] While the senators of the National Salvation Front [FSN] were meeting to discuss once again "pressing issues" within the party, the Senate president, Mr. Alexandru Barladeanu, as never before, stayed behind, all by himself, in Omnia Hall, where the meetings are held. Although he is dissatisfied with how his activity is being reported in our newspaper, he kindly agreed to answer our questions, including whether he was aware that he may be asked to resign. The initiators of this move are a few FSN senators whose names we cannot yet reveal.

[AZI] What is your opinion about the "Vacaru action?"

[Barladeanu] It just happens to be Vacaru. I think that this is the result of the spirit of this great number of senators, because if it were an individual initiative with limited goals, then it could not have been supported by more than 50 senators. It seems that the number has now risen to 60.

[AZI] As far as we know, only one of the senators has not signed.

[Barladeanu] I do not know the facts, because I specifically did not want to interfere in this issue, so that no one can say that I have a personal interest. I let them do what they deemed fit and this—let us not say unanimity—but his overwhelming majority cannot have a completely accidental cause. There are serious reasons involved. I think that the text, which I heard only on the radio, is very justified, that is, their principled position is justified.

[AZI] In your view, how will this influence the Front's evolution?

[Barladeanu] It will definitely have a beneficial influence on it, even if it leads to an inevitable purge.

[AZI] Do you view those principles from the right, so to speak, and from other directions, as neocommunist ones?

[Barladeanu] No. This is a way of using terms for purely political interests. I have a clear view of the FSN position, no matter whether its name is changed, because with the passing of time this name is outdated. I view it as a center-left party with clear social-democratic aims, namely to protect those who are at a disadvantage and are wronged. Thus, I see it as a center-left party. This is the position of the FSN or of the future party that follows it.

[AZI] Are you convinced that this is in keeping with the spirit of the majority of our people at this time?

[Barladeanu] Not of the majority, because the opinion of the majority is dictated by fluctuations prompted by the economic situation, the difficulties faced, and how certain material problems are being solved. Public opinion varies, it is unstable, but the Front's position in the political area is that of center-left.

[AZI] We have learned that a group of senators intend to request your resignation.

[Barladeanu] Maybe. It is their right to request it. But when?

[AZI] Today.

[Barladeanu] Yes? Very good.

[AZI] Is such a request in keeping with the Senate's operational regulations?

[Barladeanu] No. It is not in keeping with them, but I cannot do anything. Can I oppose their wishes? However, this comes as a surprise to me. Did they tell you the reasons?

[AZI] No. They did not. You know, we journalists learn such things from one person and another.

[Barladeanu] Yes, but I expected this to be requested in January. Roman has said that in January the Front will withdraw its political support for both Dan Martian [Deputies' Assembly president] and myself. And, therefore, I expected someone to stand up and say: We request the resignation of the president. And whatever happens will be according to the Senate's decision.

Nastase, Armenian Counterpart Hold Talks

AU1612211491 Bucharest ROMPRES in English 1832 GMT 16 Dec 91

[Text] Bucharest, ROMPRES, 16/12/1991—Romanian Foreign Minister Adrian Nastase and the minister of foreign affairs of the Republic of Armenia, Rafi Ovannesyan, held a first round of talks in the afternoon of December 16.

They informed each other about the progress the two countries had made on the path towards a democratic and pluralist society, and exchanged opinions on the development of the relations between Romania and the Republic of Armenia in the new conditions created by the proclamation of that republic's independence, on the need to create a legal framework to facilitate and stimulate the growth of bilateral links. Opinions were also

exchanged on current international issues, on developments in the USSR and Eastern Europe in particular.

After the first round of talks held on Monday, December 16, Romanian Minister of Foreign Affairs Adrian Nastase and the minister of foreign affairs of the Republic of Armenia, Rafi Ovannesyan, made short statements to the press.

"I had a very active round of talks with Mr. Adrian Nastase to establish a broader area of projects concerning the collaboration between our countries," the Armenian foreign minister said. "We talked about establishing diplomatic relations, about the collaboration in the consular, economic domains as well as in other sectors of activity—a solid ground for the future bilateral collaboration."

The Romanian foreign minister said inter alia: "We tried to find together the necessary solutions to start the path we want to embark upon together, to find that ensemble of bilateral juridical instruments which are absolutely necessary for the beginning. Therefore, besides the two documents we are going to analyze—the establishment of diplomatic relations and the agreement of cooperation between the two Ministries of Foreign Affairs—we have already launched into elaborating an accord on consular relations and a cultural agreement. We have also examined the possibility of concluding a basic political agreement, a broader agreement which should emphasize the principles, the general framework of bilateral relations. We talked about the way in which the institutional framework could be built for the development of the economic relations."

According to Mr. Nastase, opinions were exchanged on the changes taking place in Europe, in the former Soviet Union.

Trade Relations Discussed

AU1612212091 Bucharest ROMPRES in English 1929 GMT 16 Dec 91

[Text] Bucharest, ROMPRES, 16/12/1991—Rafi Ovannisyan, minister of foreign affairs of the Republic of Armenia, conducted talks on Monday, December 16, with the Minister of Trade and Tourism Constantin Fota. Possibilities were surveyed of carrying into effect the government accord on commercial and economic relations and technical and scientific cooperation, approved by the two governments on November 9, 1991. It was decided that the protocol on goods exchanges be signed in January 1992.

"Romania is the first country to have concluded a trade agreement with Armenia," stated the Armenian foreign minister. "We are highly interested in developing bilateral links and we would like Romanian experts to come to Armenia jointly to identify domains of cooperation to mutual interest. Romania has welcomed us with open arms. We will welcome you the same way. We are fully confident in these relations."

The Armenian foreign minister met on Monday with Ludovic Spiess, minister of culture. After briefly presenting the Romanian cultural traditions the Romanian minister of culture invited the guests to take part in two important cultural events due in Bucharest next year: the international festival of new music, in May, and the international book show in June. Rafi Ovannisyan proposed the signing, in the near future, of a cultural convention between the two countries and invited Ludovic Spiess to pay a visit to Yerevan.

Article Condemns Roman Praise of Snegur Election

AU1612212191 Bucharest ROMANIA LIBERA in Romanian 12 Dec 91 p 1

[Claudiu Iordache article: "Gaffe?!"]

[Text] It is unbelievable! True to his ways, Petre Roman is in a hurry to be the first to hails Mr. Snegur's victory, the occasion on which the latter is consolidating his accolade of voivode [Middle Ages term for ruler of a Romanian principality] over a part of Soviet Moldova. This fall, the error of recognizing the Moldovan state—which, if it ever existed, had no other goal except for ensuring transition toward union with the Romanian homeland—these days is turning into a terrifying political gaffe, whose repercussions over Romania's future can already be noticed.

Thus, the major argument in recognizing Moldova as a sovereign state (namely the argument of maintaining control over Transdniestria) does not exist anymore. However, this part of Romanian Bessarabia, which has been confined into a status of an independence that is against nature, still exists. What kind of resources can this state have, when at its back it has the harsh Slavic breath and, in front it, has a Romania maintained skillfully and cynically in ignorance as far as reality is concerned? Certainly, if the current leadership of the Romanian state does not seek or find a solution for reintegration of Romanian soil, it will soon be done by the Romanians living on both sides of the Prut River.

The newly-established National Union Council will not hesitate to unite Bessarabia with Romania in the shortest possible time. But the fact that the first one who hailed President Mircea Snegur's election was the leader of the National Salvation Front proves the monstrous complicity between the two twin political figures, as a matter of fact, in their quilt to force history against Romania's destiny.

Petre Roman does not exist any longer as a politician, after this anti-national and anti-Romanian act!

Let us forget him now, because this is the only thing that he deserves.

International

Hungary Admits Croats Attacked JNA From Baranja

LD1612234391 Belgrade TANJUG in English 2210 GMT 16 Dec 91

[Text] Budapest, Dec 16 (TANJUG)—For the first time since the outbreak of armed conflicts in Yugoslavia, Hungary has officially confirmed that Croatian guardsmen have used its territory for attacks on the Yugoslav People's Army (JNA) and the Serb territorial defence.

Spokesman for the Hungarian border units Col. Janos Zubek today said that the Yugoslav side had been informed on December 2 that a group of Croatian guardsmen had crossed into Hungarian territory two days earlier and returned to the other side shortly afterwards.

Col. Zubek made the statement in connection with an official statement made by the Yugoslav Defence Ministry to the Hungarian military attache in Belgrade last week that Croatian guardsmen had on November 30 attacked Yugoslav border guards from Hungarian territory at the village of Torjanci in the Baranja region.

Commenting on the step taken by the Yugoslav military authorities, the Hungarian Defence Ministry's press spokesman Col. Gyorgy Keleti last Saturday [14 December] allowed for the possibility that Hungarian territory might have been used by Croatian guardsmen for attacks on the JNA, but certainly without the permission of Hungarian authorities.

In his statement made today, the spokesman for the Hungarian border units said that Croatian guardsmen in Virovitica have ten crop-dusters "which they fly regularly not only over Yugoslav territory, but also in the neutral air corridor of ten kilometres on either side of the Hungarian-Yugoslav border."

Col. Zubek said Hungary would "shortly demand an explanation of this practice."

So far, Hungary has persistently denied the very possibility that its territory is being used by Croatian forces for any raids on Yugoslav territory. The writing of the Yugoslav press suggesting such a possibility has been described as "groundless accusations" and an "anti-Hungarian campaign."

Ties Between Slovenia, Carinthia Strengthened

92BA0238C Ljubljana DELO in Slovene 10 Dec 91 p 1

[Article by Joze Sircelj: "Firmer Economic Ties With Carinthia"]

[Text] Celovec, 9 Dec—At today's Carinthian-Slovene economic conference, under the leadership of Slovene Prime Minister Lojze Peterle and the head of the Carinthian state, Dr. Christian Zernatt, there were several specific agreements and decisions, which were summarized in a joint statement.

In it, the Republic of Slovenia and the state of Carinthia support continuing economic cooperation even more intensively. The exchanges that will begin to operate in the spring of 1992 are also intended for this purpose; through them, the relations already initiated will be improved and new economic ties will be formed. The Slovene Economic Chamber and the Carinthian Chamber of Commerce will take care of the exchanges. A joint commission will be in operation, as well as joint groups for the areas of trade, industry, handicrafts, tourism, and agriculture.

Particularly important is the position that both sides are interested in investments in Slovenia by enterprises from Austrian Carinthia. In this regard they note that decisions on property, privatization, and the foreign exchange system in Slovenia are a condition for financial participation in enterprises and in establishing the latter in Slovenia.

The Carinthian Chamber of Commerce will organize an advisory and informational campaign for Carinthian enterprises, in order to inform them about possibilities for closer cooperation with Slovene enterprises. The Chamber's institute for economic development will offer Slovene enterprises its advisory services on technological issues and management training.

Milosevic, Mitsotakis on EC Troops, Blue Helmets

92BA0192B Belgrade POLITIKA in Serbo-Croatian 1 Dec 91 p 1

[Article by Nebojsa Curic: "The Essential Difference Between the 'Blue Helmets' and EC Troops"]

[Text] The Greek prime minister advocated the preservation of Yugoslavia, at least as a loose federation; the president of the Republic of Serbia emphasized that peace-keeping forces represent a guarantee of peace and freedom for the people who live in the Serbian Krajinas; Greek businessmen propose that Thessalonika become a real Balkan port, and welcome privatization in Serbia; a meeting between Mitsotakis and Patriarch Pavle: "The Greek and Serbian peoples, as Orthodox peoples, are very close and very intimate."

"President Milosevic, just three months ago you stated that no foreign troops could come to Yugoslavia, but now you are supporting the arrival of the UN's 'blue helmets.' Please explain what has changed in your position," a SKY NEWS journalist asked the president of the Republic of Serbia in a news conference.

"The explanation is simple. We support the idea of the arrival of the UN's 'blue helmets' because they are not any sort of foreign occupation troops. These forces are a

guarantee of peace and stability for the people who live in the Serbian Krajinas. That is why we supported the idea of their coming. We supported what brings peace," Slobodan Milosevic answered.

"And EC troops have the same role?"

"No. We are not members of the EC; we are members of the UN. If we were members of the EC, we could discuss it, but we are not. We are members of the UN," the president of the Republic of Serbia repeated.

This answer concluded a half-hour press conference which was held at the Serbian Presidency on Thursday [28 November] by Greek Prime Minister Konstantin Mitsotakis and Serbian President Slobodan Milosevic. Before this, numerous foreign and domestic journalists who were covering the Greek prime minister's half-day visit to Serbia were interested in whether Konstantin Mitsotakis had "conveyed a message from the [EC] Twelve" in connection with the developments in the Yugoslav situation.

Time To Find a Just Solution

"As is natural, I have informed President Milosevic about positions and views within the framework of the EC. Of course, I will inform interested parties in the EC about my impressions and the talks I conducted in Serbia."

The Greek prime minister added that it seemed to him that we were entering a phase in which the prospects were much better. He thinks that if the truce is observed, conditions can be created for finding just and good solutions. The UN initiative and the sending of the "blue helmets" is certainly a positive step toward this, Mitsotakis said.

The journalists were interested in what the Greek prime minister thought about the frequent statements by certain leaders of West European countries about the "changeability of the state borders, but the unchangeability of the internal administrative borders in Yugoslavia."

"Those statements should not be taken as absolute fact. Europe is still discussing and considering this issue, and has not yet made a final decision. There is no doubt that we all have good intentions with respect to your country. This issue, however, is very sensitive, and requires a careful approach."

The Greek prime minister emphasized that he thought that at this time, while talks on the future of Yugoslavia were being conducted, it was not at all useful to insist upon one-sided recognition of certain republics or upon the application of sanctions.

"When we leave the hot climate of war and bloodshed, it is quite natural that we will be able to talk more comfortably and calmly about finding the right solutions," Mitsotakis emphasized.

We Expect Europe To Respect Its Own Decisions

The journalists asked Slobodan Milosevic whether it was possible to reach a compromise with Serbia regarding the location of the "blue helmets," since Zagreb was insisting that the UN troops be sent to Croatia's administrative borders, and not where the sides are in conflict.

"Everyone who wants peace," Milosevic answered, "welcomes the arrival and presence of the UN peacekeeping forces.

"Nevertheless, everyone who is familiar with the situation in Yugoslavia knows that those forces should go where the sides are in conflict, because the basic goal of their presence is to create and preserve peace. The conflict is not at the administrative borders, but rather precisely at the edges of the territories in which the Serbian people in Croatia are living compactly. I expect that the international community, including the presence of the UN peacekeeping forces, will ensure that people's right to peace and security. There cannot be any dispute about this for anyone who has good intentions," concluded the Serbian president.

The journalists were also interested in what Serbia would do if Germany officially recognized Croatia.

Milosevic answered that it was hoped that the EC and its members, with respect to recognizing individual republics, would adhere to their own positions on not accepting unilateral and illegitimate acts and violence as a means of imposing political solutions.

"The Yugoslav crisis can only be settled peacefully and by political means, and by no means through support for unilateral acts and support for violence," the president of the Serbian Republic stated.

After the press conference, Prime Minister Mitsotakis and President Milosevic continued their talks behind closed doors. As we have learned, in addition to the current political situation, the subject of the talks between the two statesmen was also primarily economic cooperation between Greece and Serbia. Prime Minister Mitsotakis especially stressed Greece's desire to have Thessalonika become a real Balkan port and an outlet to the sea for all countries of this region.

In addition to the Greek prime minister and the Serbian president, the talks were also attended by Andonis Samaris and Mikis Teodarakis, on the Greek side, and Dragutin Zelenovic, Vladislav Jovanovic, and Dr. Aleksandar Prlja on the Serbian side.

At the same time, while the talks were under way at the Republic Presidency, businessmen from the two countries were talking at the Serbian Economic Chamber. Vlajko Stoiljkovic, the president of the Chamber's Assembly, thanked the guests for their disagreement on imposing economic sanctions against Yugoslavia. It was emphasized that commodity trade in recent years had shown a trend toward growth—last year it exceeded $400 million. Nevertheless, it was said, the possibilities

were much greater, and Serbia felt that the best chances were in the areas of transportation and tourism. It was also said that to date, four joint firms had been founded, as well as two Greek trading firms in Serbia.

Georgis Vlahos, the secretary general for international economic relations in the Greek ministry, and Konstantinidis Pantelis, the president of the Thessalonika Chamber, expressed the hope that Yugoslavia would survive as a community and that peace would prevail in it soon, because their country's economy was also suffering because of the crisis. More than 40,000 Greek transit trucks cross through our country's territory each year.

The Greek businessmen particularly welcomed the privatization process in Serbia, and were convinced that it would open up even broader possibilities for mutual cooperation.

Mutual Assistance of the Orthodox Peoples

Within the framework of his visit to Belgrade, Greek Prime Minister Konstantin Mitsotakis visited Pavle, the patriarch of the Serbian Orthodox Church.

As was reported, Patriarch Pavle requested the Greek prime minister's support for having the war in Yugoslavia ended as soon as possible, and for having the sufferings of the Serbian people in Croatia stopped.

Prime Minister Mitsotakis promised his full assistance, emphasizing in particular that "the Greek and Serbian peoples, as Orthodox peoples, are very close and very intimate."

On Thursday evening, before leaving for Athens, Konstantin Mitsotakis received the head of the SPO [Serbian Renewal Movement], Vuk Draskovic, and Dragoljub Micunovic, the president of the Democratic Party, at the Greek Embassy in Belgrade.

In his conversation with Draskovic, Mitsotakis emphasized that the "blue helmets" would arrive very soon and that there would not be any particular problems regarding their deployment. The SPO leader emphasized that the hesitation about sending peacekeeping forces to the battlefields in Croatia was a risk, and that those forces, instead of preserving peace, would have to be replaced by forces that had yet to establish that peace.

Dragoljub Micunovic, after talking with Mitsotakis, stated that the Greek prime minister had informed him in detail about the EC leaders' positions on the crisis in Yugoslavia. Micunovic added that he was very satisfied with Greece's role in the EC's efforts to assist our country.

During his stay in Belgrade, Konstantin Mitsotakis also made a protocol visit and had a brief conversation with the president of the Federal Executive Council, Ante Markovic, in the Federation Palace.

Milosevic: The Friendship of Greece and Serbia Is a Guarantee of Stability

I am very gratified that I can welcome our guests from Greece in several capacities, as a neighbor and as a friend. I am certain that I also share Mr. Mitsotakis's view that the friendship between Serbia and Greece, and between the Serbian and Greek peoples, is one of the important factors in stability in this region.

I would like to state that our talks were conducted in the spirit of that friendship, and that we were able to note that our viewpoints on many open issues were identical. I am certain that both the Serbian government and the citizens of Serbia, businessmen in particular, will do everything possible to have cooperation between Greece and Serbia continue to develop, in our mutual interest. Even as we are speaking here, a group of Greek businessmen are speaking with their counterparts from Serbia—also successfully, I hope.

Mitsotakis: We Will Do Everything Possible To Help Settle the Crisis

I am very happy to be in Belgrade today. It is quite natural that it is in the interest of both countries to have our relations broadened further, on all levels. Mr. Milosevic and I conducted talks on the issues of large economic projects that affect our countries' cooperation. Naturally, we also spoke, however, about Yugoslavia's acute problems. Our position on this, to summarize it, is that efforts should be made to preserve the unity of Yugoslavia, at least as a loose federation.

It is quite natural that Greece can have a separate voice on issues that affect our region, especially since we are more familiar than others with those issues.

We are very interested in developments in Yugoslavia, especially because they also affect us. We will not miss a single opportunity to do everything that we can to help you.

Federal

Markovic Criticizes Hague Conference, Statement

LD1412051991 Belgrade TANJUG in English 1438 GMT 12 Dec 91

[Text] Novi Sad, Dec 12 (TANJUG)—President of the Constitutional Court of Yugoslavia Ratko Markovic today said that it was not true that Yugoslavia was in the stage of dissolution as the Arbitration Commission of The Hague conference on Yugoslavia assessed in its report.

By taking such a stand, the commission ignored facts and failed to qualify them correctly, since the act of secession of certain republics is wished to be presented as completely legimitate, Markovic underscored in his interview to the Novi Sad daily "DNEVNIK" today.

The Arbitration Commission assessed that Yugoslavia was in the stage of dissolution and that the republics should agree on Yugoslavia's legal succession, with the strict respect of human rights and rights of peoples and minorities.

Markovic, an expert in international law, criticized the Arbitration Commission for acting like a political forum, the assessment of which has the function of political conviction, instead of acting like an expert forum.

Markovic also criticized The Hague conference for turning from a peace conference into a conference for resolving a constitutional question which is the internal affair of all sovereign states. Any foreign intervention in the resolution of the question, violates a country's sovereignty and represents interference into a state's internal affairs.

Effect of Decision To Extend Military Service

AU1612134091 Belgrade BORBA in Serbo-Croatian 12 Dec 91 p 1

[Dj. K. report: "Service for Reservists up to Six Months"]

[Text] What lies behind the decision made at the SFRY Presidency session held in the Palace of the Federation in New Belgrade on 10 December? Here is how the decision was formulated in the following terse announcement:

"At its session, the SFRY Presidency adopted certain orders and decisions in the sphere of leading and commanding the Armed Forces of the SFRY and examined some other issues within its constitutional competence."

As BORBA has learned unofficially, at this session chaired by Branko Kostic, the SFRY Presidency made the decision according to which all volunteers and commanders of these volunteer units would fall under the command of the Armed Forces of the SFRY. According to this decision, before going to the front, all volunteers, as well as reservists of the Yugoslav People's Army, would have to go through certain training in the Yugoslav People's Army barracks and training grounds. Special training has been assigned to volunteers and reservists who, due to the needs of the Yugoslav People's Army, should change army branch and specialization.

As BORBA has unofficially learned, being put under the command of the Yugoslav People's Army implies that the commanders of volunteer units, either self-appointed commanders or those selected by political parties, would not be able to appear in the public media—newspapers, radio, or television—without the approval of a Yugoslav People's Army unit or garrison command.

BORBA's unofficial sources state that the SFRY Presidency decision on leading and commanding in the Armed Forces implies that the military service of the regular Yugoslav People's Army soldiers should be extended for an unspecified period of time according to the needs of the Armed Forces of the SFRY. A special novelty is that the well-known 45-day service for reservists mobilized into the Armed Forces will no longer apply. This term is to be extended to as much as up to six months which is to be decided by the Supreme Command of the Armed Forces of the SFRY.

Slovenia

Rupel Says EC Agreement Clarifies Recognition

AU1712161891 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 17 Dec 91

["Excerpt" from a telephone interview with Slovene Foreign Minister Dimitrij Rupel by Edo Zitnik on 17 December—recorded]

[Text] [Zitnik] Mr. Rupel may I ask you a question that many Slovenes who are listening to the reports from Brussels have asked themselves today. Most of them wonder whether the conclusion of the [EC] ministers session in Brussels is not in a way postponing several EC countries recognition of Slovenia for a certain period, that is to say, until 15 January. I stress again that this is what our listeners are wondering.

[Rupel] Well, at a first glance it does seem like this. However, the matter has to be clarified.

What happened here today has in fact crystallized the whole procedure. We will gain recognition of the entire EC and the doors will be open for further links and other recognition that we need to function as a normal state.

What has changed is that a compromise was reached, in the sense that individual states were authorized to establish diplomatic relations with us, that is to say, to recognize us, on the basis of a very precisely outlined procedure. This procedure represents our application for recognition. [sentence as heard]

I would also like to stress that on 15 January the EC will not again decide on recognition. Everything that was said about recognition is contained in these papers. The EC has said what it had to say. Within the given deadline the individual states will then do what they intend to do. Therefore, I would say the matter is clearer now.

Lendava Prefers Purchase of American Refinery

92BA0238B Ljubljana DELO in Slovene 27 Nov 91 p 1

[Article by Ivan Gerencer: "People in Lendava Becoming Enthusiastic About American Refinery"]

[Text] Lendava, 26 Nov—After the arrival of the chief director of Nafta, Milos Oslaj, who was negotiating, together with experts from Ljubljana's Smelt, on the possibility of buying one of the used refineries, it is clear

that during their visit to America the people from Lendava finally abandoned the purchase of a used refinery from Italy.

"After our visit to our American partners, the needle on the scale has tilted toward their side. The purchase of a refinery is dependent in the highest degree upon the financial conditions set by the seller. In this respect, the Americans are far ahead of the Italians, and that is why we are now only thinking about buying one of the two used refineries in the United States that they are offering us."

The people in Lendava will decide by New Year's which of the refineries offered they will buy. If they buy a refinery, they will continue refining activity in Lendava until 1993 at the old refinery, which has a capacity of 600,000 tons of refined crude oil per year. By that time, the new refinery—that is, one of the ones being offered to them by the Americans—should be set up in Lendava.

If the plan should fall through for some reason, after the first of the year Lendava will gradually begin to reduce its refinery activity, since with a worn-out refinery that is not technologically equipped for the production of super gasolines and in general, for qualitatively demanding oil derivatives under the regulations that will go into effect in Europe in 1992, they really do not have any prospects. Milos Oslaj noted, "In just one year our belief that Slovenia needs a refinery was confirmed. Even at this time our refinery is operating at full capacity, and we send all the derivatives to the market immediately. We do not have any reserves."

Republic's Oil Supply To Last Until Feb

92BA0238 Ljubljana DELO in Slovene 10 Dec 91 p 10

[Article by Romana Spende: "Supplied Until February"]

[Text] Preparations for a long-term agreement for oil deliveries from the Russian Republic; as part of an exchange of goods, we will pay for the oil with Slovene products.

Ljubljana, 10 Dec—Because of the American position on the crisis in Yugoslavia and repeated threats of an embargo, the question of what the supply of oil and oil derivatives will be like is being posed again. We were told at Petrol that they will be able to meet all the requirements until February, since they have reserves for 30-40 days. In view of the anticipated agreement between the Executive Council of the Republic of Slovenia and the government of the Russian Soviet Federal Socialist Republic on shipments of oil and derivatives, as well as natural gas, we should not be short of these raw materials either in the future.

"We have a contract for next year with the Soviet enterprise Soyuznefteksport for the delivery of 900,000 tons of oil and 200,000 tons of oil derivatives," stated Petrol's general director, Franc Premk. "By the end of the month, another two tankers will arrive, with 50,000 tons of oil apiece. Through refining this, and other deliveries that are under way, we will be able to cover the requirements until February. We are now taking part in the preparations for an agreement on economic cooperation between Slovenia and the Russian Republic, with which we intend to conclude an agreement on long-term deliveries of oil, derivatives, and natural gas. We chose the Russian Republic because it produces more than 90 percent of all Soviet oil, but we are also talking with Belorussia."

In response to a question about whether they are not afraid that the agreement will be affected by the exacerbated political situation in the former Soviet Union, Franc Premk answered that the Russian Republic had control of its own oil, and that furthermore, this raw material was also a trump card for it, since it supplied the other republics with it; it could thus alter all sorts of political decisions. It should be added to this that Petrol is not relying entirely upon uninterrupted deliveries from the Russian Republic, and that is why it is also negotiating with Iran, Libya, and Algeria. It is also preparing for a possible embargo, so that [text missing] an embargo, even if it is adopted, will not be observed by all the members of the European Community, as one might conclude from certain statements.

The governments of Slovenia and Russia have already signed an agreement this year on economic, scientific and technical, and cultural cooperation, and yesterday they signed so-called commodity lists as well. On the basis of those lists, a concrete agreement on oil will follow, since we will pay for it with Slovene products, primarily medicines, clothing, and food. "In the beginning we will have to reach an agreement with Slovene enterprises on the commodity trade and with the banks on payment transactions," Franc Premk said. "Slovenia will be able to compensate in the Russian market for the decline in sales [text missing] still associated with the Lendava refinery and with other collaborators outside of Slovenia."

LB Says Foreign Currency Reserves Increased

92BA0238D Ljubljana DELO in Slovene 9 Dec 91 p 3

[Article by Silva Ceh and Rok Mencej: "Foreign Exchange Is Moving to the Banks, Which Strengthens Foreign Exchange Reserves"]

[Text] Ljubljana, 8 Dec—Foreign exchange from socks, from under mattresses, and also safe foreign banks is moving to Slovene exchange offices, i.e., to Slovene banks. The net proceeds for three-quarters of the month have reached 120 million German marks [DM]. The tolar is thus gaining in strength. Of course, it is mainly being assisted in this by the housing law, i.e., the purchase of publicly owned apartments, but a bit is also contributed by the favorable interest rate—about 18 percent—that banks are offering for fixed tolar deposits.

The exchange offices, as also asserted by Zvone Cvek, executive assistant of the general director of LB [Ljubljana Bank], are right on the mark. LB buys foreign exchange at all of its branch offices, but only sells it on Subiceva in Ljubljana. The daily purchase of foreign exchange will even reach DM4 million. Every day people are buying only 5-10 percent of the foreign exchange sold—from DM200,000 to DM400,000. The supply and demand for German marks are in first place. During the exchange period, LB has collected about DM30 million by purchasing foreign exchange.

To what, then, do they attribute the present fever for selling foreign exchange on the part of Slovenes, who at least during the first few days after the introduction of exchange offices also purchased approximately as much as they sold? "Resourcefulness," Cvek answered briefly. People, of course, can quickly calculate how they should handle their money. Fixed deposits of tolars are now more profitable than holding onto marks without any interest. LB attributes the increased sales of foreign exchange to purchases of publicly owned apartments more than to financial straits. Consequently, Cvek thinks, the purchase of publicly owned apartments is indirectly influencing the value of the tolar, and thus its advantage over foreign currencies. The increased purchase of foreign exchange should also contribute to the formation of foreign exchange reserves by both commercial banks and the Bank of Slovenia.

Purchases Exceed Sales

Also satisfied with its purchases is A Bank, which has in its network 30 of its own exchange offices and several franchises. According to Deodat Snoj, director of the office for transactions with citizens, during the last 14 days they have bought about $5.5 million, and sold approximately $4 million in foreign exchange. Snoj says that the bank used the difference for its own needs. That bank also associates the increased sale of foreign exchange with the purchase of publicly owned apartments and favorable interest rates on tolar deposits, and also with the economic crisis and the shortage of tolars.

The Maribor Credit Bank, which has more than 112 exchange offices, also cannot complain about the purchase of foreign exchange. During the past month, according to Stefan Jakovac, the head of the section for citizens, it has about $4.5 million from citizens, and sold about $2 million. In Maribor, they think that the supply of foreign exchange will still increase considerably in December. The cause is the same as elsewhere.

At the UBK Bank's branch in Moste, according to Zvonka Kosmerlj, foreign exchange is likewise being hurriedly exchanged by its owners. People are selling from DM2,500 to DM12,000. The monthly interest rate, which is changing foreign exchange into tolars, is 19 percent at that bank. If the accelerated sales trend continues, the UBK Bank is already somewhat afraid of tolar illiquidity.

The Slovene Cooperative Agricultural Bank is not creating foreign exchange reserves by buying foreign exchange. Joze Peharc, the head of the section for transactions with citizens, felt that exchange transactions serve them as a sort of additional job (a transitional foreign exchange treasury). That bank has an 18.81 percent interest rate on fixed tolar deposits, for amounts above 100,000 tolars. Consequently, the people who are selling foreign exchange at that bank are selling it for the same reasons as elsewhere, and usually put the money in fixed deposits.

At Domzale Bank, the supply and demand for foreign exchange are approximately coordinated. Jozica Rus, the head of the section for transactions with citizens, thought that people were selling foreign exchange because they were buying apartments, and in the last few days, they have been hurriedly increasing their tolar deposits. There is also no shortage of those who are paying for electricity with "foreign exchange tolars," however. Exchange transactions at Domzale are not higher than DM1 million. Rusova said that exchange transactions were one of the ways in which they met people's needs. Is the bank forming foreign exchange reserves with them? We did not receive a concrete answer, but it should be clear that exchange transactions have to follow a bank's standard policy, i.e., they have to be profitable. The bank has exchanges at all of its units, and also has several authorized franchised exchangers, which sell and buy foreign exchange—at Domzale Bank's exchange rate, of course. These include, for example, the Konjsek Inn, and larger enterprises.

About DM1.2 Billion From Apartments

And how do the Slovene monetary authorities, i.e., the Bank of Slovenia, view the flourishing period of Slovene exchange offices? The main stimulus for the foreign exchange sales boom is the housing law, i.e., the purchase of publicly owned apartments, as was also confirmed by Andrej Rant, the deputy governor of the Bank of Slovenia. Rant said that the purchase of apartments should provide about DM1.2 billion, including about DM700 million in cash. Could it happen that with the increased sale of foreign exchange, there will be a shortage of tolars? Rant answered that the dangers are hidden in monetary effects, for example, an excessive issuance of tolars. Consequently, the Bank is already preparing for measures and laws that would provide an answer as to how to manage these funds. In fact, the sales and purchases of foreign exchange at exchange offices in Slovenia has yielded a net DM120 million.

Of course, this is an amount that strengthens Slovenia's foreign exchange reserves and is consequently a foundation for the Slovene tolar. That is why it should not be wasted cheaply, and instead those funds should be used intelligently, i.e., not for current consumption, for example, for wages, but rather for the financial rehabilitation of enterprises and the banking system. Whether

that will happen will depend not only upon the Bank of Slovenia, but also upon the Slovene government and parliament.

Unfortunately, the former, which is becoming more and more ineffective, still does not have any strategy for the use of this foreign exchange, even though—if it were familiar with the possibilities—it could take financial steps right now through which Slovenia could very suddenly gain an economic impetus and credibility abroad.

Croatia

Tudjman Sends 'Message of Peace' to UN

LD1512213591 Zagreb HTV Television in Serbo-Croatian 1830 GMT 15 Dec 91

["Message of peace sent from Croatian President Franjo Tudjman to the United Nations and states and statesmen of the world"—read by announcer]

[Text] We are deeply aware of the far-reaching consequences of historic changes on the world stage, and particularly of the responsibility for stopping the war of conquest against the Republic of Croatia as well as for the human suffering and material damage which have put Croatia to the most severe trial in its thousand-year national history. This is why we are addressing, with dignity and responsibility, this message of peace and understanding to the world public on behalf of the Republic of Croatia.

The decisive moment has come when the responsible political forces of truth, freedom, democracy, and respect for full human and national rights, as well as for principles of open and peaceful cooperation, will win. Encouraged by the growing determination of the world community to stop the war in Croatia, and in the interest of a lasting affirmation of all liberties, we want to announce responsibly in this special message:

The Republic of Croatia is fully and unquestionably dedicated to a peaceful resolution of the state and political crisis on the soil of the former Yugoslavia. As before, we have done and we will continue to do everything so that the principle of peaceful harmonization of even contrary interests is fully observed in bilateral and multilateral relations.

The highest values of political practice in the Republic of Croatia are freedom of individuals as political citizens, and the principles of multiparty parliamentary democracy. The Republic of Croatia has unanimously adopted its democratic constitution and constitutional law on human rights and the rights of ethnic communities and national minorities in the Croatian Assembly under the conditions of aggression by Serbia, Montenegro, and the Yugoslav Army. This confirms the historical maturity of the Croatian people in persevering in strengthening the rule of law even under the conditions of war and in building the lofty principles of human and ethnic rights into its post-war democracy even at this time.

Taught by our entire historical experience, we are aware that the historical maturity and democratic identity of each nation are proven by the ability to forgive.

In goodwill, and with its offer of peaceful coexistence, the Republic of Croatia wants to open grounds for comprehensive cooperation with all its neighbors, in particular on the territories of the former Yugoslavia, based on the principle of mutual benefit. We are deeply convinced that the long-lasting stability of this region of Europe depends above all on the mutual permeation of the authentic interests of its state-political subjects. The Republic of Croatia wants to be an open and cooperative subject in Europe, which is moving toward ever closer integration. Hence, Croatia is undertaking upon itself to observe all principles of the CSCE, the Paris charter, and the UN charter.

As an internationally recognized subject, the Republic of Croatia will resolutely contribute to European collective security. To this aim, it wants to be a bridge of cooperation in this part of Europe.

The Republic of Croatia thus expresses once more its willingness to take an active and maximum possible part in all international peace efforts. We are urging the continuation of the Hague peace conference, which ought to enable a legal and peaceful separation of the state community of the former SFRY in line with the Vienna conventions on the succession of states. Croatia is championing the full endorsement of the principles of The Hague conference on the part of all its participants, and of the international guarantees on the implementation of decisions of The Hague conference.

Precisely in the interests of lasting peace, we are sending this message of peace to the UN secretary general and to world states and statesmen, together with an appeal to the UN Security Council to reconsider its recommendation regarding the recognition of the Republic of Croatia and to make a decision to immediately dispatch peacekeeping forces, which would end the war against Croatia, in line with previous UN Security Council resolutions.

Croatia is developing its policy on the basis of awareness that the world is increasingly integrating in the fields of culture, science, and economics, and that, at the same time, it is fragmenting along national lines. The freedom of each individual and each nation is the most precious gift, which can only be exercised with the help of efficient international mechanisms for the prevention of aggression and for the creation of harmonious coexistence in a world democratic order.

Radio Predicts Croatia Recognition Consequences

LD1512155691 Belgrade TANJUG in English 1248 GMT 15 Dec 91

[Text] Belgrade, Dec 15 (TANJUG)—Belgrade radio today says the announced recognition of Croatia on the

part of Germany and its satellites may bring an uncontrollable spreading of the war in Yugoslavia, and that the chance of a UN peacekeeping force coming to Yugoslavia seems to be diminishing by the day.

"The fact that the prospect of the arrival of the blue helmets is decreasing only means that we are facing a long, exhausting and in every respect senseless war", the radio commentator notes.

The worst thing is that the Yugoslav peoples have again fallen prey to a short memory of history, while the axis powers, with the exception of Japan, have kept alive the memory of the reasons for retaliation, the radio adds.

According to the radio, the rift in Europe, which has become inevitable with the unilateral steps taken by Germany and its lackeys, may be healed if the other European countries were to be speedily converted to the German point of view or if the German and the British lobbies were to be radically separated.

In an extreme case, it might lead to an all-out war in Europe, the radio warns. The Balkans would then become the killing field for all in which the blue helmets would appear tragicomic, it adds.

The radio maintains that Europe is against the proposal to send blue helmets to Yugoslavia because this would prevent Germany from acting outside the field of its competence and because the UN troops would rule out the possibility of European military involvement.

The commentator also believes that the right moment for the arrival of UN Troops has already passed. "Now is the time to stimulate what has been left of the Croatian Army to continue its combat operations in order that the picture of hell painted for the benefit of New York should be as convincing as possible," the radio concludes.

West Europe Decision Viewed by Zagreb Daily

LD1312205491 Belgrade TANJUG in English 1504 GMT 13 Dec 91

[Text] Zagreb, December 13 (TANJUG)—The Zagreb daily VECERNJI LIST writes today that next week when Europe is expected to reach a decision on the recognition of Croatia, "should not be taken as a turning-point to be followed by a definite defeat or victory."

The daily writes however, that "recognition by Germany and other countries would mean real and great psychological support to Croatia."

Germany has announced that it will recognize the Yugoslav Republics of Slovenia and Croatia on December 17, one day after the European Community (E.C.) ministers meeting in Brussels. Several European countries have said that they will follow Bonn in recognizing the two republics.

Slovenia and Croatia unilaterally declared independence from Yugoslavia on June 25.

VECERNJI LIST writes that the international recognition of Croatia depends mostly on "Germany's determination to resist pressure exerted by friends, in reality rivals, on both sides of the Atlantic."

VECERNJI LIST assesses that "a number of different solutions are possible in Brussels." The daily gives some of them: No recognition of the two republics (for the present), the recognition of Slovenia alone, leaving it up to the E.C. members to decide on the matter individually, "sealed recognition" (recognition after certain conditions have been met), or "some other compromise."

Ban on Ships Leaving Lora, Divulje Lifted

LD1512224191 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 15 Dec 91

[Text] The Croatian authorities lifted the blockade of the ports of Lora and Divulje this evening because an agreement has been reached about the withdrawal of units of the army of occupation. These ports were under blockade since 2100 GMT yesterday, following a failed attempt by representatives of the Croatian authorities to inspect weapons of the Croatian Territorial Defense and the facilities at the naval training center in Lora.

Defense Minister Susak Appeals to Reservists

LD1512145091 Belgrade TANJUG Domestic Service in Serbo-Croatian 1206 GMT 15 Dec 91

[Text] Zagreb, 15 Dec (TANJUG)—All reserve and retired officers, as well as younger officers, who are citizens of the Republic of Croatia and who wish to contribute to defense efforts are invited to report to the defense authorities in their places of residence. The above is contained in the proclamation issued by Gojko Susak, minister of defense of the Republic of Croatia, "on the basis of the order of the Supreme Command of the Croatian Armed Forces on raising the level of preparedness."

Reserve and retired officers are expected to indicate their expert knowledge and abilities, as well as the talks and duties they wish to carry out. The proclamation specifies that they will be primarily involved at the level of "training the soldiers and providing expert help to commands, headquarters, units, and establishments of the Croatian Army."

Army Refutes Report on Bombing Refugees

LD1612223191 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 16 Dec 91

[Text] The headquarters of the Croatian Army has refuted the news from Belgrade's agency, TANJUG, emanating from sources of the federal Army, and which was also announced by some western agencies, to the effect that an alleged column of Serbian refugees from

[Mounts] Papuk and Psunj was bombed at about 1500 by three small Croatian planes. The headquarters stresses that it is well known that Croatia does not have its own airports or aircraft, so therefore it was not possible that it bombed this column.

Commenting on the threats of the commander of the Fifth Corps of the occupying army, General Ljubomir Bajic, that if Croatian aircraft go into action his army would use surface-to-surface rockets against Croatian airports, the Croatian Army headquarters takes the view that General Bajic is in a position to implement his threats even without having a motive for so doing.

Army Claims Overrunning of Serbian Stronghold

LD1512151991 Zagreb Radio Croatia Network in English 1305 GMT 15 Dec 91

[Text] The Croatian Army reports that it has successfully taken the Serbian guerrilla stronghold of Miokovicevo this morning. The Army reports state that this [word indistinct] stronghold was the center of Serbian activity for the Bilo Gora area in the northern portion of the Papuk area. Soldiers of the Croatian 127th Brigade were the first to enter the village and found murdered and imprisoned civilians, witnesses to Serbian terror which followed the Croatian counterattack on the village. Croatian units are now involved in cleanup operations in the area.

Situation Reportedly 'Critical' in Neretva Valley

LD1412142791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1204 GMT 14 Dec 91

[Text] Trebinje, 14 Dec (TANJUG)—There was no shooting in the Dubrovnik-Hercegovina battle area last night or yesterday afternoon, the press center of the Yugoslav People's Army [JNA] Second Operational Group for Hercegovina reports today.

However, the situation in the Neretva Valley is highly critical, with the Croatian forces from Metkovic doing their best to involve Capljina and Mostar in fighting. We have also learned from military sources that Croatian paramilitary formations are regrouping their forces on the territory of Neum municipality. From there they are opening fire on members of the JNA.

No manoeuvres by Croatian forces have been noticed in the Dubrovnik area, and there was no shooting. Yugoslav Navy units still control sea traffic around Gruz port.

JNA units of the Second Operational Group for Hercegovina suffered no losses either during last night or yesterday afternoon.

Authorities Impound Steel Shipment From Slovenia

LD1412051591 Belgrade TANJUG in English 1852 GMT 13 Dec 91

[Text] Novi Travnik, Dec 13 (TANJUG)—Croatian authorities have impounded a delivery of around 50 tons of special steel which was which was ordered by the firm "Bratstvo" of Travnik, Bosnia-Hercegovina, from the Ravna steel-plant in Slovenia, as the general manager of the "Bratstvo" announced today.

"Bratstvo's" general manager Zijad Krnjic told the journalists that the Croatian authorities explained they impounded the delivery because they feared that the steel would be used for making weapons for the Yugoslav People's Army.

Krnjic said that the ordered steel was intended to be used for parts for the Croatian and Slovenian firms, "Torpedo" of Rijeka and the automobile plant "Tam" of Maribor.

Krnjic noted the increase in the number of similar cases of confiscation of raw materials in Croatia, particularly material of strategic importance, and he assessed that the background of the case might be the unresolved customs tax relations between Slovenia, Croatia and Bosnia-Hercegovina.

Slovenia and Croatia adopted unilateral documents on secession from Yugoslavia and have not paid the federation customs taxes.

Assembly Resolution on Mesic Resignation Noted

92BA0228A Zagreb VJESNIK in Serbo-Croatian 6 Dec 91 p 5

[Unattributed article: "Resolution Adopted on Withdrawal of Stipe Mesic From Yugoslav Presidency; Severed Ties With Collapsed State"]

[Text] "Milosevic and Kadijevic have yet to abandon their plan to create a so-called Greater Serbia, because they want to greet the 'blue helmets' along that line. They live in the illusion that they will deceive the world," Stipe Mesic told representatives. It was proposed that Ante Markovic, Budimir Loncar, Veljko Kadijevic, and other federal functionaries no longer be allowed to represent the interests of Croatia.

Stipe Mesic, the last president of Yugoslavia, is no longer the top man in that collapsed formation, not even officially. On the second day of its session on Thursday, the representatives to the Assembly of the Republic of Croatia adopted a resolution on the cessation of the need for the representative of the Republic of Croatia, Stipe Mesic, to take part in his function as member and president of the SFRY Presidency, as of 8 October, when Croatia declared its independence and autonomy.

In the letter sent by Stipe Mesic to the Assembly, which was read aloud during the session, the last president of the former Yugoslavia emphasized that he was elected by the Assembly to membership in the SFRY Presidency as the representative of the Republic of Croatia, occupying, in accordance with the specified rotation, the post of vice president and then president. Mesic emphasized in his letter that the Serbian part of the SFRY Presidency usurped the authority of the Presidency, while the Republic of Serbia, in conjunction with the former YPA [Yugoslav People's Army] is waging war against Croatia in an attempt to conquer part of the territory of our republic and to extend the so-called Greater Serbia into that region. "I believe," Mesic wrote "that said circumstances manifest the need for the Assembly to pass a resolution on the cessation of the need for my participation in the work of the Presidency of the former SFRY, both as a member and as president." h3
"Kadijevic Is a War Criminal"

Stipe Mesic repeated these reasons from the rostrum. "This Assembly," he said, "elected me to a federal post while Yugoslavia was still in existence. It no longer exists now. It formally ceased to exist at the point when the representatives of some republics, including those of Croatia, left the parliament." Stipe Mesic emphasized that the former state has begun to fall apart at all its seams, because all federal institutions, from FEC [Federal Executive Council] and the SFRY Presidency to the Federal Assembly have lost both legality and legitimacy. "We must be aware," Mesic said, "that a military putsch has been carried out in this country, the ideological creator of which is Slobodan Milosevic, but the executor of which is the army." The former president underscored the role of the generals, especially Gen. Kadijevic, in the illegal war against Croatia, branding him a war criminal who some day will be held responsible for his crimes. It is clear to Stipe Mesic that this Croatian member of the FEC is planning and executing a war against Croatia, and that Croatia must prosecute him as a war criminal.

"I must tell you that I have information from the session of the truncated SFRY Presidency held on 16 November at which Kostic and Jovic proposed that Croatia be subjected to a frontal assault, that the Croatian government be overthrown, and that an ostensibly new, democratic government be installed. At that time, Kadijevic said that this could not be done, because his army was deployed 80 kilometers deep, and that an extension of the front would make it difficult to supply his units. He said that they would be vulnerable along their flanks, and that the situation could become catastrophic. Kadijevic then proposed taking city after city. I have information indicating that Osijek, Vinkovci, Karlovac, Gospic, and Zadar are next in line. They have yet to abandon this plan, because they want to greet the 'blue helmets' along this line. They live in the illusion that they will deceive the world and that they will create a Greater Serbia by duping everyone into believing that they are fighting for Yugoslavia," Stipe Mesic said.

Bosnia-Hercegovina Is Next

He then reminded the representatives of the former words of Slobodan Milosevic to the effect that Serbia can go it alone without Yugoslavia, since that is the very republic that "sustained" Yugoslavia. Today, this same man supports Yugoslavia, no longer mentioning Serbia. He wants to convince the world that he is fighting for Yugoslavia, Mesic said, but in fact he is reshaping it at the expense of others in order to create a Greater Serbia. This reshaping, Mesic contends, is being carried out by Kadijevic. He reminded the representatives of how, as much as he could, he personally fought for the interests of Croatia and for peace in this region, but that no intellectual points were to any avail whatsoever, since the plans to conquer Croatia had long since been drawn up. Bosnia-Hercegovina is next, Mesic predicted, the republic into which a large military force has been shifted, and it is only a matter of time before a Bosnian front is also opened up. Right now, it is finally obvious to everyone that the issue here is not protecting the rights of minorities, which is in fact demonstrated by the countless times that the Serbian and Montenegrin members of the SFRY Presidency have rejected international supervision over the enforcement of these rights. Serbia is interested only in war, and that war began with the arrival of the army in the so-called crisis areas in Croatia.

Thanking Mesic, Dr. Zarko Domljan underscored Mesic's efforts to defend Croatian interests. It is a fact, the president of the Assembly emphasized, that not a single president in the past has ever been in a more difficult situation and undergone such trials while attending the funeral of the state that he represented. Stipe Mesic kept his promise to be the last president of that state. He performed this duty, Dr. Domljan emphasized, with honor and persistence. His departure from the federal stage represents the disappearance of Croatia's last presence on the federal level, even though up to now this presence was only symbolic.

The "Case" of Markovic and Loncar

Mesic's departure from Belgrade where, as he says informally, he spent no more than a total of four months, was used by some representatives to open the question of the presence of Ante Markovic and Budimir Loncar in Belgrade. Although this Assembly did not appoint them to their federal posts, it is a fact that in some sense, as Croats, they represent Croatia, even though they are not acting in its name and on behalf of its interests. Vice Vukojevic proposed that Ante Markovic be immediately recalled in order that he not inflict further damage on Croatia, and that Markovic and Loncar be barred from entering Croatia, even though this is not popular.

Ljerka Ercegovic asked who will represent Croatia's interests in the probate proceedings for Yugoslavia now that Mesic is gone. Neven Jurica sharply reproached Markovic for his complete detachment from his Croatian state and his Croatian nation. At no time has he spoken a single word on behalf of his nation, which has

spilled its blood and from which he originated. Although he himself has not pulled the trigger or taken part in the criminal acts, he has nevertheless worked against Croatia. Neven Jurica joined Vukojevic in demanding that the prime minister be prohibited from entering Croatia.

Sick Ambitions

Vladimir Seks said that on a number of occasions Croatia has asked these federal functionaries to at least report objectively on the political situation in the republic in their dealings with the rest of the world, but that they have never done so, through which they have taken the side of Croatia's enemies. Through their actions, they have inhibited the process of Croatian recognition and that of clearly identifying who the aggressor is, and who the victim is. Seks said that Markovic continues to slow down the process of stripping away the legality of the SFRY, and he has even undertaken steps in the EC to preserve Yugoslavia, all as part of his sick ambition to remain a player in some sort of new Yugoslavia. It is true that the Assembly did not elect them, nor did it delegate them, but they assumed their posts as representatives of Croatia, and for that very reason the Assembly must adopt a resolution challenging their right to continue acting in the name of Croatia and ensuring that their political and public actions will not have any legal or political effects whatsoever on Croatia. Vladimir Seks is opposed to barring their return to Croatia, since their greatest "reward" will be the way in which they are received—they will live just as they acted, Seks concluded.

Ivan Milas asked whether Croatian citizens were even allowed to work for enemy agencies, and the FEC is just that, since it includes the minister who is waging war against Croatia. According to Milas, this is a matter of high treason, because Markovic is directly waging war against his homeland. "I think that the loss of citizenship is the only way for us to discipline them a little," Ivan Milas said. At the end of the session, it was proposed that the resolution include the Assembly's position on Ante Markovic, Budimir Loncar, Veljko Kadijevic, and other federal functionaries who are no longer allowed to represent the interests of Croatia.

Internal Affairs Official on 'Liquidation' Plans

92BA0152C Zagreb DANAS in Serbo-Croatian 12 Nov 91 pp 21-23

[Interview with Milan Brezak, deputy minister of internal affairs, by Darko Pavicic in Mr. Brezak's office in Zagreb; date not given: "They Wanted To Kill Me"]

[Text] "I have proof that shows that I have been closely followed, and all places where I was were noted down in great detail. All this should have resulted in my liquidation," narrates Milan Brezak; in spite of all the rumors that have circulated around him in recent days, he's still deputy minister of internal affairs.

The name of Milan Brezak, deputy minister of internal affairs, has been at the very top of the corridor top-list in the past two weeks. It was sufficient that Mr. Milan Brezak did not appear for several days at press conferences for everyone to be invited to interpret exactly what he knew about what happened. It is clear that nothing was known for sure, but it was widely said that Brezak had been arrested together with a group of spies, then that he was not arrested, but that he was demoted and replaced, even killed....

We spoke with Milan Brezak in his office in Zagreb, and the title deputy minister of internal affairs still stands on the door to his room.

[Pavicic] The rumors have probably reached you too. Can you explain what really happened during those days when the public noticed that you were absent?

[Brezak] I did that job with the public according to the structure and the distribution of work within the framework of state organs, and I'm thinking primarily of MUP [the Ministry of Internal Affairs] and the Ministry of Defense, where MUP has had, we could say, obligations in the war that is being waged. At the time when I disappeared from the "television screens," the Law on Defense went into effect and the headquarters of the ZNG [Croatian National Guard] and the Ministry of Defense were completely organized; therefore, MUP, according to an agreement at the top of the government, began to return to its classic functions of preventing criminal acts, initiating criminal charges, etc. Simply put, the need no longer existed for any member of MUP to be present to that extent in public, interpreting wartime situations. That was the sole and basic reason then and at that moment. This was interpreted differently in public, but not accidentally.

Specifically, as is known, I publicly depicted and interpreted, to the extent I knew and was able to, the role of Serbia in its aggression against Croatia, the role of the Yugoslav army and its mutual connection in this aggression. It is clear that this bothered them and that they had to discover some means on the side of KOS [the Counterintelligence Service] to hinder me in this work. This was told to me several times too, since at that time we were holding talks and negotiations with JA [Yugoslav Army] generals, on the occasion of which I was warned in a nice manner to decrease the intensity of this depiction of the role of the Yugoslav Army. But parallel with this KOS was in action, realizing that MUP is one of the most indestructible fortresses of the present constitutional order. In the most professional sense, the military intelligence service pays an exceptional degree of attention to us. And I was included in their measures; for this I possess proof which I cannot give you to publish for professional reasons, since this is the subject of an investigative procedure. Specifically, we have documents that show I was carefully followed and all places where I was were noted down in great detail, and all of

this was to result in my liquidation. Within the framework of the overall assault on MUP, I was one of the people of interest to the JA security service, I'm saying, up to physical liquidation.

[Pavicic] The rumors that could be heard were the opposite: On the one hand it was said that you were a victim of KOS, and on the other that you were moved on the MUP organizational charts.

[Brezak] KOS's primary interest was in compromising MUP in such a way that people known to the public are compromised. The rumors started in this way with the Security Service of the JNA [Yugoslav National Army] and were to make it possible, if they could not bring the matter to a close, for someone else to do it. That citizens have been tricked by such rumors is not surprising at all, since hundreds of stories circulate daily these days. However, this rumor also tricked the ultraright faction on the Croatian political scene, which wanted to destroy MUP as well. And that is what is of concern, since we should all focus, nevertheless, on the same task in this war in the final analysis, and that is to defend Croatia, liberate it and after that live together.

The rumors partly fell on fertile soil; this has been seen in some purges in recent days. Why has this rumor partly succeeded here with us, among Croats? And why is this rumor about me, and about MUP as well, being used on that ultraright, which I consider to be primarily a police faction, and not a political faction, and so not a party faction? All those who utilize unconstitutional methods against constitutional order know that we are not dividing Croats for better or worse, but are simply dividing people into honest people and those who are criminals, terrorists, tyrants. And that's the problem. We will absolutely persevere in MUP, because we are training our people to have Croatia in their hearts and not any kind of Croatia, but one important for us, organized according to a constitution and laws just the way it is. We educate and orient our professional personnel in this manner and, I can say, we are like a privileged guild because of the proximity to the most direct responsibility for Croatia. In that sense nothing else exists for us and I think that the police are protected, although there are a minor number of exceptions.

This is the context in which one should view the rumors of which I personally have been a "victim" in some way. These rumors were supposed to disavow my person and bring about confusion in my personal orientation, and this should have been felt with this alone in the ministry.

[Pavicic] What has been happening to you personally these days?

[Brezak] Nothing has been happening; I'm doing my work normally. In the meantime, therefore, independently of the rumors and before they started, we took into consideration in the ministry that we are returning to basic tasks, so we consolidated the organization and carried out a strict division of mutual work, about which I can't speak in detail at this moment, but I can say that I have assumed certain new tasks. The part of the activities relating to general relations with the public has been assumed by another colleague. I'm referring to our transformations in progress, which have no connections with personal events.

[Pavicic] It was possible to learn recently that you were on a business trip to London. Can this be connected to the new functions you're performing?

[Brezak] My stay in London is not unusual in any way, because I was in London as deputy minister. Things should not be placed in combination to an extreme, or some kind of "cobblestones" constantly piled up. In London I was on a visit to the Ministry of Internal Affairs of Great Britain, among other things, and this was part of my duties, since we are preparing ourselves, as part of the transformation of MUP, for the autonomous assumption of all functions of MUP. This is also an international role and, toward that end, we are attempting to make contacts with other world police groups. You know well that all that has gone through Belgrade up to now and it's still happening that way through some inertia. It is clear that there is no quality contact with the Federal SUP [the Secretariat of Internal Affairs], nor do we wish to work with them on some subtle police problems because the Federal SUP has deceived us in this whole wartime situation whereever it could or its representatives have behaved completely incorrectly. Letters have been reaching us until recently from the Federal SUP and the Fifth Army District Command in which they warned us that "someone stuck his tongue out at a soldier somewhere," and General Gracanin warned us, at the time when Serbia completely destroyed the legal structure of Yugoslavia, that we would not be able to organize an autonomous service for the protection of constitutional order, because that is not in accordance with federal regulations!

We don't need such a representative in the international police arena, and that was the purpose of my talks in London, where we succeeded in agreeing with the British police that they would help us in some way in establishing international police connections. We also agreed on a certain form of exchange of expertise and I can say that we encountered a good reception there. This is still another step not only toward recognition but also toward the material realization of Croatian independence.

I can also say that, on my visit to London, I spoke with a lot of people, Britons who are educated, businessmen, of various backgrounds, and when it comes to the picture that we have abroad, I achieved understanding more readily when I mentioned Tudjman than when I would mention Croatia. People abroad identify the president faster or immediately in some way and then they begin to grasp our situation. Therefore I think that all those who, for various reasons, are not permitting President Tudjman to finish or are hindering him from finishing this business, through their actions, are making a grave mistake. Let them go abroad a little bit and let them see how great is the personal repute in which the president is

held and that is essential in the end, since it is known how important personal dimensions are for the understanding of every problem.

[Pavicic] Among the 62 people who have been arrested for spying, there are some from MUP. Several months ago we spoke precisely about "moles" in MUP?

[Brezak] When we spoke about "moles," I told you that "moles" should never be permitted to operate. Now I can say that, in permitting some "moles" to operate, we raised a whole "molehill." All this has its meaning. I personally believe that MUP, and especially the Service for the Protection of Constitutional Order, are clean at this moment. But we are still taking MUP into account carefully and I think that no activity can slip by us that represents the misuse of any MUP service. In fact, some of the suspected and arrested are MUP employees, and I can say only that some of them sat several doors away from me. You know, with regard to the aims that this group had, which have already been reported to the public, there exists a complete file which will be presented to the court, and what is involved is evident: from physical liquidations to blowing up MUP buildings. Therefore, you can see that such matters are not a game or a joke and, therefore, when public stories begin about such matters, at the level of gossip or some kind of rumors, we simply do not want to react immediately, because the matters are much more serious than what is said on the street. We are allowing ourselves, as the MUP, to choose the moment when we will begin to talk about this. But our services caught sight of and detected the activities of these individuals in time, and it has been a question only of the optimum moment to take care of it. And when there were frequent stories about moles, about which there was really a lot written in the press at that time, I can now say, they were not exactly helpful to us, because that creates increased caution among them.

[Pavicic] When one speaks of MUP, one has gotten the impression, over the past year or somewhat longer, that it is constantly changing. What kind of changes are involved and how much has the war pulled the police away from their police work, since the increase in crime of late is evident?

[Brezak] From the time of the elections up to today, MUP has absolutely had a rising period in quality, thanks primarily to the exceptional concern of the government leadership in reorganizing this resource and structuring it in a quality, professional manner. I must say equally that the citizens also helped with this; they quickly realized in some way that the police that are being created are their police. This was the moral stimulus for us to implement these changes. I can say to you without any reservations that the citizens think of us as a protector and not as some kind of foreign body. Therefore, when we return today to our classic activities, I am certain that we will have a showdown with crime, drugs, violence, murders, robberies. We have a tendency toward an increase in the most severe crimes, which are murder, robberies, acts of physical violence. In the past three months, murder increased by 272 percent in relation to the same period last year, robberies by 126 percent, endangering life and property by 189 percent. That is already sufficient for alarms to sound.

We are now shifting our focus in some way and our most capable people are confronting these problems. We have now been unburdened of one part of the most direct war operations, though this does not mean that we will not continue to be involved on the battlefields, and we can return to one of our functions, classic crime, and on the other hand to state functions, which are borders, various administrative affairs, taking care of citizens' rights.

As the war continues, attacks on the constitutional order are increasingly greater and we must be sharp there. There are about 30,000 of us, and even if a certain percentage of people are obstructive, many remain who I guarantee will defend the constitutional order regardless of who attacks it.

[Pavicic] How do you assess the role of the head people at MUP, since there have been rather frequent changes there, even periodical mysteries, such as the departure of Minister Boljkovac?

[Brezak] I must say that I am not authorized to assess their work. But I can say generally that nothing is accidental. And if MUP, from its beginnings up to today, has achieved a level of satisfactory quality in its work, then all of them have contributed to it, since the minister is indisputably the principal person. Each of them has personally established himself in this ministry, and the rest of us have assisted professionally, with our expertise, for the ministry to be what it is. I just wrote in DANAS, at a time when MUP was attacked from all sides, that the process of its transformation is going in such a direction that Croatia has in it an institution of trust. And although we are involved with the war, it should be said that in questions of the protection of constitutional order, we have filed charges in more than 500 cases.

[Pavicic] It can be said that only police without an army have been left to MUP. But relations between the police and the guard have often been quite strained, from people in the field to the leadership itself. What are relations like now between the army and the police?

[Brezak] At the beginning of the creation of the guard, it was a formation of MUP, and we treated it that way. We had a special role there. Naturally, there were all sorts of occurrences in the field, as well as something that I think is welcome, and that is a rival atmosphere that is positive, although there were incidents in some places. But generally, those relations between the army and the police have functioned effectively. I can say that they particularly improved with the strengthening of internal command components in the guard.

[Pavicic] Along with the army, a paramilitary force was created, about which a lot of dust has been raised in recent days. What is your opinion of the HOS [Croatian Defense Force] and other similar formations? I have

heard of your opinion that such cases should be dealt with harshly in the beginning. Is that true?

[Brezak] I can approach that only as a professional. I am a lawyer by profession and for me there is a legal state, which is set up within the limits of the constitution and the laws. The constitution and the laws are not things that come out of themselves, but are the product of life, its standardizing. In this context I also regard the illegal military formations in Croatia. It is completely evident that such formations, acting autonomously, inflict harm on us and this, unfortunately, is not only the HOS, because in other areas in Croatia, even areas that are not directly encompassed by the war, for example, in the Rijeka or Opatija area, various groups are being formed which are obtaining weapons autonomously, form into certain structures and organizations and then carry out a certain policy of their own. Because of the increased involvement of MUP in war operations, we have not been in a situation with our capacities where we operationally cover the work of such groups more significantly. However, we will now do that absolutely, we will absolutely eliminate the illegal activity of all these individuals and groups that are attempting to wage their own war. All the more so that there are people in these groups who are criminals, people of asocial behavior, those who are prone to criminal acts, etc. Efforts have been made to observe these situations, but the time has now come to end them. Especially because of the fact that the Croatian army today is completely set up and ready and we all know what it is and we don't need another one. The Croatian army is open for everyone and everyone can join it, and those who don't want to join it are adventurists. All those who use this war, a war that has shown its dark side, as a field for their adventures can be called only criminals.

[Pavicic] We began this conversation with a disclosure of current rumors and fabrications. I would ask you to say something more about the "godfather," the broadcast of the "Diary's Supplement" on Belgrade Television in which a telephone conversation was presented where you allegedly give someone an order to assassinate Martic?

[Brezak] That is, briefly stated, a fabrication of the Serbian UDB [State Security Administration], which they tried to serve to us, but we found out in time what they were preparing for us and didn't let ourselves be pulled into it. The only result of all that is that they call me the godfather in Belgrade and their press.

Maybe I am a godfather too, but the only thing I sponsored, when it comes to sponsorship, is the truth about the genocidal, reactionary policy of the Serbian leadership and JNA. Everything else has been stories that were supposed to contribute to the destruction of individuals who fight for the Croatian ideal. This has gone so far that they wrote in EXPRES POLITIKA that "Slavonian liberators" captured me in Lipik and that this was the "truth that none of these Slavonian liberators could come to tell about personally." But this is a sign, on the other hand, that they didn't succeed in what they intended and they're continuing with their machinery of lies and imputations.

Ethnic Serb Minister Discusses Role, Policies

92BA0205D Split SLOBODNA DALMACIJA in Serbo-Croatian 30 Nov 91 pp 18-19

[Interview with Zivko Juzbasic, minister without portfolio in the Croatian Government, by Josip Smidt; place and date not given: "Greater Serbdom Crime Against Serbia"]

[Text] Under the pretext of defending the Serb population in Banija, Kordun, Lika, and northern Dalmatia from genocide by the "Ustasha" government, Milosevic's Greater Serbian policy in fact constitutes the greatest manipulation of the Serb population, forcing it into open conflict with its Croat neighbors, with whom it has coexisted for centuries. In this way, the Greater Serbian policy is committing the greatest crime against the Serb population in Croatia, for which this unfortunate nation will pay dearly.

Zivko Juzbasic, minister without portfolio in the government of Croatia, reemerged in public political life this summer after an absence of 18 years, ever since his early retirement from the post of general director of "Gavrilovic" in Petrinja.

Upon joining the Government of Democratic Unity, he was charged with working together with colleagues Budisa and Degoricija on an exchange of prisoners of war. The first exchange occurred in the Osijek area, and such exchanges have continued to the present day. From talks with members of the State Presidency's commission for the cease-fire there, Mr. Juzbasic, among other things, recalls the conflicts that emerged with Adm. Brovet. The admiral simply arrived at the meeting, read aloud the opinion and assessment of the military leadership, and stated that this was the plain truth. Minister Juzbasic had enough of this, and once, at a meeting in Nova Gradiska, he told the admiral that deep down, the military leadership has never accepted the actual changes that have occurred in Croatia and Slovenia.

"What are you doing now?" we asked Minister Zivko Juzbasic.

[Juzbasic] Every day, we receive a large number of people, complaining about violations of their rights, especially in terms of employment. These are serious human dramas and in the majority of cases they involve direct infringement of the Constitution and of laws. Not a small number of them also have a national component. With the help of the Office for Interethnic Relations and with the major support of Prime Minister Dr. Franjo Greguric, we have successfully resolved many difficult problems. Every saved life and corrected injustice represents another brick in the foundation of our new Republic of Croatia and its democracy, which is clearing its own path despite the horrors of war and the self-will of the "lesser gods" throughout the opstinas, enterprises,

and institutions. Moreover, I am involved as a member of the Croatian delegation in the work of the expert groups in The Hague. I am also working on the commission for drawing up a law on human rights and national communities in Croatia. The law is currently under consideration by the Assembly. My workday continues for as long as there are people to see and other concrete tasks to carry out. The pace of my work is very strenuous, but despite my poor state of health, I am persevering in all of this.

Conflict With Serbian Delegation

[Smidt] You mentioned your involvement in The Hague. What are your impressions and observations based on the talks that have been conducted there?

[Juzbasic] I have been at four meetings in The Hague of the experts groups that are preparing the draft agreement for future relations between the states in the territory of the former Yugoslavia. Foreign representatives lead the expert groups, and they are honest and objective. Prof. Dr. Djuro Degan and I work in the expert group for human rights and national communities. This is the most difficult group because its work is refracted by all our political conflicts that form the basis for this horrible war against our republic. In this group, as in the other two groups, our greatest conflict is with the Serbian delegation.

[Smidt] Why is there conflict?

[Juzbasic] In our expert group, conflict continually emerges around the border problem, because the Serbian representatives openly demand the secession of Croatian regions where Serbs constitute a majority, meaning 11 opstinas from Kostajnica to Obrovac and Benkovac. As we know, the regions of Banija, Kordun, Lika, and northern Dalmatia have never belonged to any Serbian state. Under the pretext of protecting the Serb population in these regions from genocide by the "Ustasha" government, Milosevic's Greater Serbian policy in fact constitutes the greatest manipulation of the Serb population, forcing it into open conflict with its Croat neighbors, with whom it has coexisted for centuries. In this way, the Greater Serbian policy is committing the greatest crime against the Serb population in Croatia, for which this unfortunate nation will pay dearly. The Serbian nation in Croatia has never been in a more difficult situation than it is today; the party in which it believed for 50 years (the LC [League of Communists]) has fallen apart, followed by the disintegration of Yugoslavia, in which it also deeply believed, and now the army too is falling apart. Babic's and Hadzic's SDS [Serbian Democratic Party], which acts according to the dictates of Slobodan Milosevic, continues to force Serbs in Croatia into committing crimes, into massacring their Croat neighbors, into destroying and burning down Croat towns. And thus, Serbia, first covertly and now overtly, is engaged in a genuine, undeclared war against Croatia, behind the backs of Serbs in Croatia, and together with army units.

Various Babices Will Not Be Satisfied

[Smidt] What is your view of the contents of the proposed Hague documents?

[Juzbasic] The Hague documents foresee cultural autonomy for the aforementioned 11 opstinas, with well-developed local administration and self-rule according to European Community criteria. The Tirol in northern Italy was taken as an example. Croatia accepts international control and arbitration in terms of protecting human and national rights. The Republic of Croatia is also willing, under certain conditions, to accept having the territory of these 11 opstinas be a demilitarized zone. Thus, a zone without the presence of any armed forces, aside from international "blue helmets" and the local and state police. Considering the many suggestions from the field and from many discussions, we have abandoned the idea that we should first define the higher organizational structure for these autonomous opstinas, either as kotars or zupanijas. We had to respect the demands of real, everyday life by the citizenry, and let them decide with whom they will join in a higher form of organization, or whether they will be satisfied with their autonomous opstina. I can say that the draft law that we have prepared does not restrict any cultural autonomy or the broad rights to local self-rule. These rights are significantly greater and broader than those provided for in the statute of the so-called SAO [Serbian Autonomous Region of] Krajina-Knin.

[Smidt] Will this type of solution satisfy the Serbian side?

[Juzbasic] We must say openly that this will not satisfy the various Babices and other extremist Serbs. They demand a change in borders and the separation of this territory from the structure of the Republic of Croatia, and nothing else interests them, even though they know very well that these are autochthonous Croatian regions, which were the cradle of Croatian statehood and which have never been part of any Serbian state. But for them, no arguments whatsoever apply. They even ignore the position of the European Community expressed in the Hague documents opposing the forcible change of borders, which is explicitly directed at them personally. The various Babices and other extremist Serbs, who are acting according to the dictates of Slobodan Milosevic, know very well that no one in Europe wages war in order to change borders, regardless of the fact that many European borders are in many respects unjust. It is basically sound to guarantee human rights and the collective rights of national communities, something on which international institutions insist, so that it is absurd to hear the constant haggling about changes in borders, which is the basis for Milosevic's Greater Serbian policy, definitely not some sort of struggle for the rights of Serbs in Croatia. This farce has been uncovered and is increasingly being recognized by the Serbian nation in these opstinas, which realizes that it is a plaything in the hands of this disastrous and crazy policy.

[Smidt] Speaking of the undeclared war that Serbia is waging against Croatia, you mentioned that it is doing so together with army units. What is your view of this, as one of the original Partisans?

[Juzbasic] The shameful role of the army in the fighting against the Croatian nation cannot be covered up or justified by any means. To a great extent, it acquired the weaponry with which it is destroying Croatian towns and cities through the resources of citizens of Croatia. How absurd and shameful it is for the destroyer Split to fire shells on its own city, Split, in which there are many troops who served in the Navy, in fact on the destroyer Split. Is it even possible for a person to experience a greater disappointment: to be destroyed by that which you yourself created, sustained, clothed, armed, and provided with a higher standard of living than that enjoyed by your own people?! Thus, it can be stated clearly that official Serbia, lead by Slobodan Milosevic, to whom the Yugoslav People's Army and all the various territorial and Chetnik units are now in fact subordinate, is waging an open war against the Republic of Croatia, the goal being the secession of all regions in which Serbs live. In all these regions (except for the 11 opstinas south of the Sava) for which blood is being shed, Serbs do not constitute an absolute majority—neither in western and eastern Slavonia nor in Baranya. But the army and various Chetnik bands, under the command of Slobodan Milosevic, are killing and expelling the Croat residents of these regions, thus altering the demographic structure of the population. This is true genocide in the full sense of the word. The crimes committed by the army in Vukovar, Osijek, Vinkovci, Dubrovnik, Zadar, and other cities here go beyond the bounds of common sense. Thus, Milosevic and Kadijevic, who claim to support a modern Yugoslavia, are in fact doing everything they can to subvert Yugoslavia. In this way, the army has betrayed "its own" people in Slovenia and Croatia, and that also spells its disastrous and inglorious end. The army has done the most to inflict harm on itself. The army is digging its own grave.

[Smidt] And how do you view all this as a Serb?

[Juzbasic] First of all, I want to state clearly that I am a Serb from Croatia, and I belong to the Serbian nation in Croatia. I am a former Partisan, a reserve colonel, and a recipient of the "1941 Partisan Certificate of Service." Almost all of my family perished in the last war, but never, not even subconsciously, have I ever thought that the Croatian nation is responsible for the crimes of the Ustashi. I have never regarded Ustashi or Chetniks as representatives of their nation, but rather as their degenerates. Today as well, I do not think that cutthroats, extremists, represent the nation from which they came. They are the refuse of society, because political problems can never be solved by weapons and massacres of innocent people. As in the Second World War, the Ustashi and Chetniks have often fought together against the Partisans. Thus, today as well the most ultra-extremists from both the Croat and the Serb side are helping each other out in their struggle against the new Croatian government. As far as I myself am concerned, I was not a commodity for sale either for the old government or for the new one. I no longer belong to any party. I joined the government as the only Serb for now, until the war is over and the Serbs have elected their representatives for all levels of government based on a proportional system. At this moment in the government I represent the bridge of cooperation between the Croatian government and Serbs in Croatia, which is proof that the government and leadership of the Republic of Croatia are ready to solve all open and accumulated problems in relations with Serbs in Croatia according to European standards.

Impossible To Live in a Ghetto

[Smidt] Because of the horrors of this war, many people have begun to view all Serbs with suspicion. What is your message to them?

[Juzbasic] Serbs in Croatia can enjoy all rights and responsibilities according to the criteria of the international community, and thus the greatest accomplishments, but they cannot have their own state on Croatian territory, nor can they federalize the Republic of Croatia. I am deeply convinced that the majority of Serbs in cities (who comprise around 73 percent) accept this, and that an increasing number of Serbs living in towns in the aforementioned 11 opstinas accept this. Serbs in Croatia are not a fifth column, nor can they accept the syndrome of collective guilt for the horrible crimes committed by Chetnik degenerates against the Croatian nation. All true and honorable Serbs disavow these crimes, which are inflicting profound pain on innocent victims here. By the same measure, however, degenerates from the Croat side have committed horrible crimes in Lika, Banija, western Slavonia, and in cities, taking away peaceful and loyal Serbs whose fate remains unknown. The Republic of Croatia must be a rule-of-law state, and regardless of the war it must protect every loyal citizen, regardless of nation, religion, and party affiliation. The new Croatian government must prevent individuals from dispensing justice as they see fit. More than anything else, this destroys our reputation abroad and could delay our recognition by the international community. Only a democratic Croatia has good prospects in the country and in the world, and any other option, either a communist or a fascist variant, is out of the question.

[Smidt] So in your opinion, what should be done primarily?

[Juzbasic] It is impossible to draw any borders between Croats and Serbs in Croatia, because we are so intermixed through families and friendships, through our coexistence in mixed towns and cities, that any partition would cripple the unified, living organism of the Republic of Croatia. The Knin Krajina cannot live without relying on Split, Sibenik, Zadar, and the developed Dalmatian coast. Without these ties, it would be like living in a ghetto, and that is impossible. Because of this, the greatest interest of Serbs in Croatia must be to

stop the war immediately, to drive the injected territorial forces and Chetniks back into Bosnia, Montenegro, and Serbia, to free themselves from protection by the remnants of army units, to make contact with their Croat neighbors through their moderate representatives as soon as possible, and through joint actions by peace councils to resolve their everyday, practical problems, from a genuine cease-fire and consolidation of peace to other concrete steps towards coexistence. Because despite all the crimes (and the criminals have a first and last name), we must live together, we are bound to one another. Forgiveness, good will, and reason must prevail, given the fact that we must live in a way that is realistically possible, and not in the way that some exclusive extremists think. The Catholic Church is doing a great deal in this direction, but the Orthodox Church in Croatia has not yet committed itself. All people of good will must work on this immediately, because the war cannot last for long, and even now we must make preparations for peace.

Questions and Answers

Other questions were also discussed in our interview with Minister Zivko Juzbasic. Asked about how he has been received in the government, he responded that for now there is no reason to complain about the attitude of his colleagues towards him and towards the open issues of the Serb population in Croatia. He remarked in the interview that there is no justification to objections directed to the European Community by some of our people and public media, because it receives information on events in our area every day by way of more than 400 observers. Asked what he thinks about the "blue helmets," he answered that we can welcome their arrival if they are able to contribute to an effective cease-fire. And asked about possible contacts with Serbian political parties in order to calm down the current situation, he informed us that he maintains a good level of cooperation with the Serbian Democratic Forum and the Serbian People's Party, while he has no ties whatsoever with the Serbian Democratic Party.

Message to Friends

I would like for these words to be read by many of my wartime comrades and friends all over Dalmatia, as well as the business partners with whom I successfully cooperated while I worked at the "Gavrilovic" factory, in the hope that we can end the war as soon as possible, that we can preserve the integrity of our Republic of Croatia, and that peace will come to our towns and cities as soon as possible. There is no alternative or price to peace. Compromise is the basis for peace. The progressive orientation of every person today is measured by the extent to which he has genuinely and sincerely contributed to a halt to the war and to bringing peace into our hearts and homes. Peace and only peace must reside in the consciousness of every true human being, and such people have always been the majority. Let the voice of people of good will overpower the explosions of bombs and shells and the weeping of mothers and children! And before long there will be a holiday of peace and freedom in our streets.

Dobroslav Paraga's Life, Views Described

92BA0152B Zagreb DANAS in Serbo-Croatian 12 Nov 91 pp 16-17

[Article by Ivan Zvonimir Cicak: "Hannibal Before the Doors"]

[Text] Paraga is obviously late historically, and his soldiers too often behave through their courage like elephants in a china shop.

From well-informed circles close to the Croatian government, information has been leaked according to which Minister of Internal Affairs Vekic requested Minister of Justice Misetic in writing to erase the Croatian Party of Rights, the president of which is Dobroslav Paraga, from the register of political parties. Some 300 criminal acts committed by members of the Party of Rights were allegedly cited in the request as the most important thing in the argument for banning the party. If the information about this document is correct, then it is only a continuation of the report dramatically presented to the general public, all in the style of those that we heard in Croatia after the meeting in Karadjordjevo. Specifically, these reports related to people like Paraga and his party members; only the signers were different.

It's not unimportant to mention that the "preparatory" report, we would say, signed by the ministries of internal affairs and defense, appeared just at the moment when Minister of Justice Misetic was in a convoy to Dubrovnik, although he is really more responsible for the work of that party than the ministries noted. I don't think that Misetic will bite the hook with which the ruling party wants to compromise the opposition, attempting through the ministry, whose minister is from the National Party, really to provoke an interparty schism. Because, as is known, the MUP [Ministry of Internal Affairs] has not brought a single criminal charge for the violent criminal acts cited, not to mention that not a single judicial process has been carried out by which the perpetrators of these acts would be sentenced according to the laws in effect even where it was pointed out in the verdicts that this was done in the name of political work. However, it is astonishing that the MUP did not bring a criminal charge at the same time against the main editor of Croatian television, Tomislav Marcinko, who cited his political beliefs in an interview with GLOBUS as reasons for the sanctions against his employees. All this says something about both the spiritual situation and the burning situation on the internal political scene which is still being stirred up by the wartime whirlwind and the inability of the ruling team to handle the situation and put Croatia on the right road.

The focus of these events was again Dobroslav Paraga, president of the Croatian Party of Rights, who is not unknown to the political public of Croatia, and whose

appearance on the political scene is tied to the scandal resulting from the petition because of which Paraga was later sentenced to 4 years at hard labor. Whatever is known about Paraga, equally little is known about his person.

Who Is Dobroslav Paraga Really?

Paraga was born in Zagreb to a particularly Catholic and nationalist family; the father was Smiljan, a Zagreb attorney, and the mother the late Arna, a Zagreb woman who, because of the wartime whirlwind, did not succeed in graduating from the Faculty of Philosophy, but these studies so captivated her that this fascination and culture affected not only her children but the whole circle of people around her. Dobroslav Paraga has a brother, Domagoj, who is now an announcer on the Libertas radio station in Toronto, which is controlled by the rather controversial Mr. Gamulin (this is not unimportant for Paraga's political work), and two sisters. Paraga's father was a Catholic activist at a time when this was possible, and his mother brought into the family the legacy of her father, who was a physician and a low-level official in the Independent State of Croatia, and as such disappeared after the war in the purges of the Communist Party. But Paraga's grandmother and mother, who raised him, keep a still more tragic memory about Mrs. Arna's brother, who also disappeared, as a 16-year-old youth, something that some people who are performing famous functions in the new Croatian government today perhaps concealed. I mention this because the very radical views of Dobroslav Paraga in opposing Tudjman and part of the people around him perhaps spring and stem from this atmosphere.

Paraga deviated sharply from his generation in everything, both as a boy and a youth, and I say this from personal experience, since I have known him since he was still a child, so he has experienced Radic's fate because of this, since he did not adopt the standards and cliches prescribed as mandatory by Communist middle-class circles. In addition, Paraga is quite knowledgeable about classical music, philosophy, history, and other branches of the humanities. By the age of 18, he possessed greater knowledge even than some of his university instructors at that time, and that was really his great problem.

In my opinion, jail has been disastrous and more harmful for Paraga than useful since, in attempting to defend his own beliefs, he strengthened the form to the extent that his beliefs were not only pushed into the background but the form became a purpose unto itself. Paraga is really a victim of the former Communist regime, not only because of his captivity, but because the development of a youth who could have given much more if he had continued to increase the knowledge that he brought from his days as a youth has been interrupted.

Paraga is married today and has two children who, like him, have also become victims of unfortunate political circumstances, since how sad and tragic is the fate of children who cannot play freely without an armed escort due to the fear that they will be kidnapped.

Paraga entered the political life of Croatia through the famous petition, which no one else but me gave him personally, so we gathered signatures, each on his own, and each of us was personally responsible for his part of the text. The conflicts that arose because of this position are more or less known, but perhaps the time is still not ripe for a full historical evaluation of all the details about them. During his confinement and after his release from prison, many intellectuals, especially Serbs, among them the lawyer Srdja Popovic, Milovan Djilas and Dobrica Cosic, intervened on his behalf, as did a circle of people around them, who were then famous as liberal intellectuals and anticommunists; it would be seen today that this was only a screen for some of them.

Paraga cleverly and expertly took advantage to the maximum of the aura of the anticommunist martyr for acquiring political capital in the world, with the characteristics of a fighter for human rights. His connections with certain political circles on the right wing of the Republican Party in America date from this time, as do assessments that Paraga could be connected with those services that are traditionally close to the right wing of American Republicans. However, in my opinion, all that is speculation, because Paraga is self-confident enough to be always his own man.

The story about how Dobroslav Paraga became president of the Croatian Party of Rights sounds almost unbelievable, and the "culprits" are Kresimir Pavelic, Ante Paradzik and a certain Goran Blazekovic, son of minister Blazekovic in the Pavelic government. Kresimir Pavelic and Ante Paradzik belonged to a circle of pioneers of Croatian fighters for democratic transformation, and the two were involved in this way in the formation of the HDZ [Croatian Democratic Community]; they later joined Veselica and participated in the establishment of the HDS [Croatian Democratic Party].

The malefactors say that, dissatisfied with the arrangement of personnel and therefore with the work of the HDS, the two of them, together with the elder Blazekovic and another group of people, begin to establish the Party of Rights. For lack of a "charismatic person" as head man of the party, Kresimir Pavelic remembered Paraga and telephoned him in the USA, offering him the presidency of the HSP [Croatian Party of Rights]. Paraga was first quite confused, but after that he nevertheless agreed.

Upon his return to the homeland, the known clashes followed in the group with Bicanic, Kaja Perkovic and Blazekovic on one side and the group of Paradzik, Pavelic and Paraga on the other. Bicanic and Kaja Perkovic establish their party, while these days Goran Blazekovic, with a group of like thinkers, is sending a request to the Ministry of Justice for the registration of HOP (the Croatian Liberation Movement), as an

extended arm of the foreign HOP, one of the strongest and most radical emigrant organizations at the time of resistance to the Communist regime.

Kresimir Pavelic also clashed with Paraga and left the party, then one day appeared ingloriously on a television broadcast, the aim of which was the de facto compromising of Paraga and his party for the benefit of Tudjman, who was the strongest opponent of Kresimir Pavelic up to yesterday. Ante Paradzik died under unfortunate and unexplainable circumstances, although allegedly informed circles claim that the handwriting of the old-new members of the State Security Administration is clearly recognizable in this. So what is causing so much media attention, as well as the fear by the Croatian ruling structures about the phenomenon of Paraga and the HSP?

I am myself of the opinion that the fear of the HSP by the rulers stems primarily from the fact that Paraga's political position today is actually the principled and radical continuation of the preelection political program of the HDZ [Croatian Democratic Community], which supported ethnic and historical boundaries, whose political activators and leaders thundered in the preelection campaign about the Drina, about the flag in the Romanija region, about the battle against the Serbs to the last man.

Moreover, Paraga is much cleverer politically than they, so such foolishness cannot creep into him as to state publicly how happy he is that his wife is neither a Serb nor a Jew, and not just because Paraga carries Jewish blood.

Perhaps he personally has different political beliefs in some nuances, but it is undeniable that he has a developed feeling of responsibility for the party that he heads and that he is consistently and radically continuing, to the end, a certain political line for the HSP, one of the factions of which was also represented in Ante Pavelic. Just because of this Paraga cannot reject Pavelic or Ustashiism, although he is striving to cleanse both the Ustashi movement and Pavelic's scheme of Fascism with the claim that Pavelic's joining the party that lost World War II and the Fascist bloc was conditioned by the development of historical circumstances under which that party alone showed understanding of any kind of Croatian state.

However, Paraga's attempt to extract only the elements of Croatian nation-building from the whole Pavelic scheme is not acceptable within the frameworks of world politics and thus Paraga has the greatest political enemies among his previous allies in the world, both in the media and in western politics, who are under great influence from the Jewish lobby and about whose relationship with the Independent State of Croatia it is not even necessary to speak. Paraga is evidently a Hannibal who is late historically and whose soldiers too often behave through their courage like elephants in a glassworks. Just to avoid the harm of such political activity, Croatian politics should see to it that Paraga's units are used as a wartime "elephant" company for the destruction of Yugoslav Rome, because the current conflict with Paraga could turn into flames that will burn up the roof of the Croatian house.

Serbia

Assembly Resumes; Jovanovic, Simovic To Speak

AU1712103391 Belgrade Radio Belgrade Network in Serbo-Croatian 1000 GMT 17 Dec 91

[Radovan Pantovic report]

[Text] The Assembly session started about 30 minutes ago. As announced, the agenda includes the discussion on the draft law on citizens' income tax that was started last week. The deputies will also discuss some 20 other less voluminous bills and proposals left from last week's session. At present the deputies are discussing a proposal for holding a debate on urgent matters.

The assembly has so far adopted the proposal that Vladislav Jovanovic, minister of foreign affairs of Serbia, brief the deputies on the meeting of the European twelve in Brussels last night, and that Tomislav Simovic, minister of national defense of Serbia, brief the deputies on the latest decision by the SFRY Presidency in connection with mobilization.

As we have unofficially learned, the Socialist Party of Serbia last night discussed proposed candidates for a new premier, that is to say, a mandator for a new government. According to the same unofficial sources, the Socialist party of Serbia as a parliamentary party in majority will most probably propose three candidates to the president of the republic: Dr. Radoman Bozovic, Professor Ratko Markovic, and Dr. Milorad Unkovic.

This is all from the Serbian Assembly for now.

Assembly Meeting on Bundestag Resolution

92BA0192A Belgrade POLITIKA in Serbo-Croatian 28, 29, 30 Nov 91 p 8

[Article by I. Anojcic, T. Vujic, B. Radivojsa, and R. Rankovic: "The Bundestag's Incorrect Positions"]

[Text] The Bundestag Resolution's assertion that the crisis in Yugoslavia began with the establishment of Serbia's constitutional powers in its provinces is incorrect; it was agreed that there would be urgent proceedings to discuss a resolution on the antidiscriminatory rights of Serbian citizens in opstinas in which national minorities constitute a majority of the population.

Yesterday the Serbian National Assembly, with one opposing vote and three abstentions, passed a resolution by the Serbian parliament in connection with the resolution passed by the Bundestag of the Federal Republic of Germany on 16 November 1991 regarding the situation in Yugoslavia. The resolution was prepared by the

Committee on Foreign Policy, and the proposal that it be drafted came from Batric Jovanovic (SPS [Serbian Socialist Party]). Explaining the Bundestag resolution, Dr. Aleksandar Prlja (SPS), the chairman of the Committee on Foreign Policy, said that it was incorrect and unacceptable, to put it mildly, and that it was coming from an important European parliament. In view of the positions of the Assembly, the government, and the president of the Republic on what is happening at Croatia's present administrative borders, and on the historical territory of the Serbian people, the resolution was prepared, and will be sent to the Bundestag.

The deputies agreed on urgent proceedings to discuss the proposed resolution on the antidiscrimination rights of citizens of the Republic of Serbia in opstinas in which national minorities constitute a majority of the population. The resolution was submitted by Milan Paroski and Dragoslav Petrovic of the National Party. In explaining to the deputies the reason for this document, Paroski said that the resolution was based on a petition signed by National Party students from four opstinas (Senta, Coka, Kanjiza, and Novi Knezevac), in which genocide against the Serbian people was at work. Budimir Kosutic, the Deputy Prime Minister, said that the government was already preparing certain instruments aimed at ensuring the full equality of all citizens on the territory of the Republic of Serbia, regardless of nationality, in every part of the Republic, and that this resolution should not go into regular proceedings. A majority of the deputies did not agree with this.

On the Constitution of Macedonia

The Assembly did not agree on urgent proceedings to discuss the proposed law on application of the constitutional law on the implementation of the Serbian Constitution, which was likewise submitted by Paroski and Petrovic. The proposers felt that passing this law was a historical necessity, because the separatist Macedonian constitution is carrying out a political genocidal operation against the Serbian and other peoples in Macedonia. Among other things, there is a desire to establish a legal system contrary to the SFRY Constitution and to carry out the complete assimilation of Serbs, Montenegrins, and others. Kosutic then explained that the government was considering the situation that had arisen through the adoption of the Macedonian constitution, which does not mention Serbs, as well as the letter from the Association of Serbs and Montenegrins from Macedonia, which expects the government to undertake measures to protect the national identity of the Serbian people. The Association has furthermore sent a corresponding document to all the ministers of the EC members, the foreign ministers of the Soviet Union and the United States, and other international organizations; among other things, it demands a new census of the population in Macedonia. Kosutic proposed that this be considered in regular proceedings, since the government was already considering this issue; the deputies agreed to this.

After a discussion in which about 20 deputies took part, a law was passed, by a majority of votes, on issuing bonds to finance the consolidation of the Belgrade JZPT [public railroad transportation enterprise]. According to the provisions of the law, bonds will be issued in the amount of 9.4 billion dinars, with an interest rate of 7 percent. The repayment period is 25 years, with a grace period of five years.

Before the deputies, the floor was taken by Milomir Minic, the director of the Belgrade JZPT, who explained the advantages presented by this law. In addition to the railroad, these funds will also stimulate the Serbian economy, Minic said. This is because, in addition to the 44,000 people employed by the railroad itself, there are another 50 enterprises (with 50,000 employees) working for the railroad, so that more than 100,000 employees are living in Serbia and working for the railroad. The funds will also be used for building high-speed tracks, through which Serbia will become part of the modern European network, Minic added.

For and Against Bonds for the Railroad

The most severe opponent of this law was Dr. Oskar Kovac, who noted that the agenda did not include a program for a new Serbian railroad, but simply the issuance of bonds, i.e., the Republic's incurring debts. He demanded that people not rush ahead with this law before it is determined precisely who is seeking to become part of the public debt package. This means of issuing bonds is not in accordance with the September 1990 concept for reforming the economic system, and there is no evidence that the creditors (banks and enterprises) have consented to having their claims taken over.

Kovac compared the issuance of bonds for the railroad with last year's raid upon the primary issuance by Serbia, and emphasized that 9.4 billion dinars' worth of securities would be issued without any backing. As he put it, this would cause an enormous inflationary blow, and over the next 30 years the repayment of the debt would be done through taxes, from which the Republic would have to amortize these bonds.

Answering Kovac, Deputy Prime Minister Nikola Stanic said that these criticisms were not valid, since the means of assuming the obligations did not have anything in common with the plan for organizing public debt on which the government was working in any case. Then all the Assembly committees (for development, transportation, finance, and legislation) supported the passage of this law.

Thousands of Reservists Refuse Draft

LD1612210691 Belgrade TANJUG in English 2003 GMT 16 Dec 91

[Text] Kragujevac, December 16 (TANJUG)—Colonel Budimir Rakic of the Kragujevac Corps Command of the Yugoslav People's Army (JNA) has said that more

than 6,000 reservists from the territory which is under the jurisdiction of this corps, have not responded to calls by the military authorities.

Col. Rakic told reporters that military and civilian authorities have so far detained some 2,500 reservists from this central part of the Yugoslav Republic of Serbia, and that charges have been filed against 600 of them.

Col. Rakic underscored that, under the law, failure to answer a summons for military service at times of immediate danger of war calls for a prison sentence for a period from one to 10 years.

The Yugoslav State Presidency concluded in early October that Yugoslavia was under immediate threat of war because of the armed conflicts between members of the Serb nation in Croatia and the authorities of this Yugoslav republic.

In late June this year, Croatia proclaimed its independence from the Yugoslav Federation, and Croatian paramilitary units in August placed all Yugoslav Army barracks in the territory of that republic under an armed blockade.

Reservists from Serbia are completing the JNA units in the fronts of Croatia, because only the Yugoslav republics of Serbia and Montenegro are sending conscripts and reservists to the JNA forces.

Kragujevac Corps Presents Mobilization Plans

AU1612171491 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 16 Dec 91

[Zoran Glisovic report on news conference by Colonel Budimir Rakic, deputy commander of the Kragujevac Corps, in Kragujevac on 16 December]

[Text] According to assessments made at the news conference in Kragujevac, members of the six major units of the Kragujevac Corps were engaged successfully in the areas affected by the war in Vukovar, Erdut, Borovo, Dalj, Tenja, Ernestinovo and other towns. The actions of the formation 55.40 were recognized when its commanding officer was appointed commander of the town of Vukovar.

Unfortunately, Colonel Budimir Rakic said, 18 persons died, among them volunteers. He stressed on this occasion that there would have been significantly fewer victims if all reservists had responded to the mobilization call-ups, if the opposition had not appealed to the most tender parental feelings, and if there had not been instances of desertion of positions and returning home. Some 6,167 reservists failed to respond to the call-ups, thereby delaying the replacement of manpower in the existing units on the battlefield.

As a result of all this, the local command is taking extensive measures to replenish the ranks of its units. Some 2,500 of those who have been avoiding military service have already been brought from Raca, Knica, Topola, and also from Kragujevac. Criminal charges were filed against 600 of them, which could result in one to ten years' imprisonment.

Colonel Budimir Rakic also reminded everyone that pardon for the offenses committed is envisaged for reservists who respond to the call-ups or return to their units after deserting.

It was also pointed out that the names of the people who avoid being included in military formations will be announced in the local media. Special posters will also be placed in companies and local communities.

Some 150 reservists gathered outside the Hall of the Yugoslav Peoples' Army in Kragujevac while the news conference was still under way. After 45 days on the front, they willingly deserted their units. Their demands, which are, as we have learned, based on the oath they have sworn to each other to return home after a month and a half, were not met.

They were told that the Army will act in accordance with the law and the latest SFRY Presidency decree regulating the duration of the military engagement in the war against the invasion of fascism and for the protection of the Serbian nation against a new genocide.

Belgrade Papers Report Croatian 'Crimes'

LD1612170291 Belgrade TANJUG in English 1618 GMT 16 Dec 91

[Text] Belgrade, Dec 16 (TANJUG)—The Yugoslav daily BORBA published today the testimonies of four eye witnesses on crimes committed on October 22 this year by Croatian national guardsmen in the Serb village of Sibuljine near the city of Zadar on the Adriatic coast.

"Guardsman Ivan Vukic pointed his hand gun at Dragan Poljak and fired into his forehead from a distance of 50 cm, and then he did the same to my brother Marko and my uncle Zeljko Strbo," Milan Strbo said.

Strbo is one of the eight villagers who were taken to the concentration camp for Serbs and all those who are not loyal to the Croatian regime, which was set up in the school Velimir Skorpik in the town of Zadar. Strbo, Jovan Babac from Strbuljan, Z.S. from emunik and D.M. from Zadar, testified that guardsman Ivan Vukic also killed in the camp three people from the neighbouring village of Tribanj.

They said that psychological torture and beatings lasted three days in the camp and stopped only when the Croatian Ministry of Internal Affairs took the prisoners into its custody, and later they were exchanged for Croatian paramilitary troops.

The daily also brings the testimonies of Yugoslav Army reservists and soldiers exchanged recently in the Montenegrin port of Zelenika for 273 Croatian national

guardsmen. According to their testimonies, Serbs - civilians were arrested all over the town of Zadar to serve merely for exchange.

Rasa Lilic and Vukadin Stanojevic, imprisoned reservists from Nis, soldiers Bekim Musoli from Podujevo and Jovan Gvozdic from Zajecar - all of them from Serbia—said they were subjected to psychological torture, starvation, and beatings in the Zadar prison.

A pilot downed over Sinj, Captain Tomislav Milutinovic, showed on TV Belgrade still visible traces of the torture he had undergone.

The most terrifying testimony, however, is the one given by Ninoslav Bogavac, one of the 17 military policemen imprisoned while breaking out of the barracks in Osijek which was under the blockade of Croatian paramilitary formations.

"They were beating us for days with aluminium pipes, baseball bats, rifle butts, and kicked us. They kept us without water or food," Bogovac said in his long and dramatic testimony to the Belgrade daily POLITIKA-EKSPRES.

Bogavac, who was taken out three times before a firing squad, was locked up in the "boxcar of death" with eleven other prisoners. "Croatian guardsmen broke bottles on the boxcar floor and forced prisoners to crawl over the glass," Bogavac said.

"They kept us without food and water, and then they threw into the boxcar the massacred body of Jovo Banjac from the village of Babjak near Nasice, who was dying in dreadful pain, and said—here, eat your Chetnik," Bogavac testified.

Describing in his testimony what Croatian guardsmen did to reservist Branko Trbojevic from Stara Tenja near Osijek, Bogavac said they extinguished their cigarettes on his wounds. Croatian policeman Ivo Kovcalija from Dalj killed his fellow Croatian Slavko Putnik for refusing to fire on Serbs from his village, said Yugoslav Army policeman Bogavac.

Kosovo SDA Rejects 'Reduced' Federation

AU1612202791 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 16 Dec 91

[Report by Refik Kasi on Party of Democratic Action [SDA] for Kosovo and Metohija news conference held 16 December in Pristina]

[Text] (?Bosnia) is today occupied by the Yugoslav People's Army, and if Slovenia and Croatia acquire international recognition, the occupation will only continue. This was said at a news conference today by Numan Balic, leader of the SDA for Kosovo and Metohija. Muslims will not live in any kind of reduced Yugoslavia if Slovenia and Croatia leave, because this is only a Greater Serbia, Balic said.

Journalists were told that the SDA has documents showing that 500 Muslims in the province had been dismissed from their jobs, while only lackeys of the present regime remained in their jobs. Balic also opposed the changing of names of streets and squares in towns in Kosovo and, as regards Bosnia-Hercegovina, the SDA of Kosovo advocates that it should be an independent and sovereign republic where there will be room for everyone.

Balic devoted most of today's news conference to himself, lamenting that the communal misdemeanor court in Pec had sentenced him to six months in prison for what was called spreading false news and disturbing citizens at the founding meeting of the SDA in Vitomirica.

Reacting to the possible ban on the work of the party, Balic said that if this happens we will continue with our work and represent the interests of the Muslim people.

Bosnia-Hercegovina

Judges Investigate Anti-Croatian Attacks

LD1412175691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1524 GMT 14 Dec 91

[Excerpt] Mostar, 14 Dec (TANJUG)—Nurko Pobric and Bojan Stevic, the investigative judges of the Mostar District Court who are conducting a joint investigation into a series of explosions which took place last night in Hercegovina's capital, have said terrorists targeted the property of individuals of Croatian nationality. It has also been confirmed that the attackers' targets included the Corner Cafe owned by Jadran Topic, Srecko Gagro's apartments, Pero Ivankovic's print shop, Kanon, and a Zastava-750 car belonging to Frano Doka, chief of the Police Department in the Mostar Security Center.

A great deal of material damage was caused by the explosions but there were no casualties. [passage omitted]